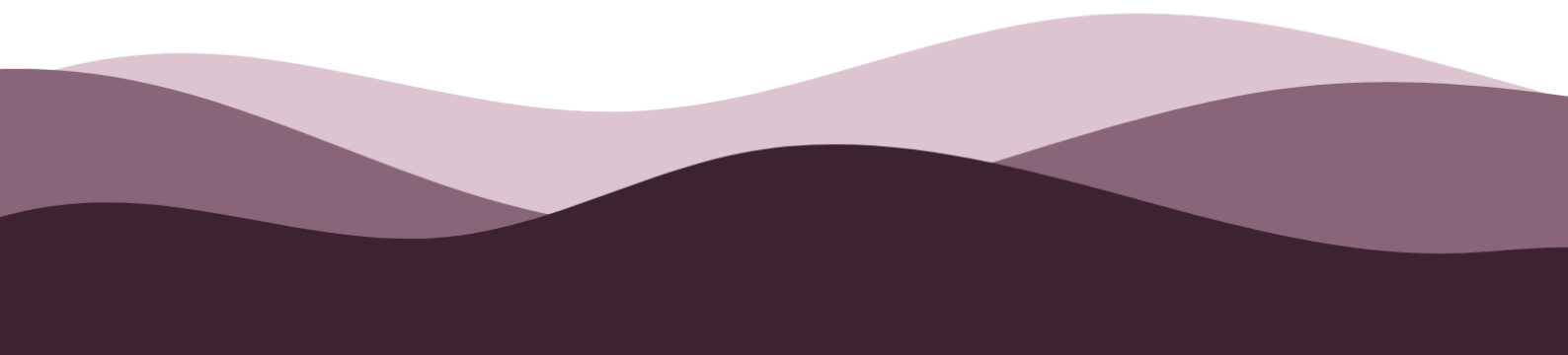




# **Annual Report**

2024



# Contact

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## **Gambling Supervision Commission**

Ground Floor, St George's Court  
Myrtle Street  
Douglas  
**Isle of Man**

# Glossary

Abbreviation	Full Form	Description
<b>GSC</b>	Gambling Supervision Commission	Regulatory body overseeing gambling in the Isle of Man
<b>AML</b>	Anti-Money Laundering	Measures to prevent money laundering
<b>CFT</b>	Countering the Financing of Terrorism	Measures to prevent terrorism financing
<b>ML</b>	Money Laundering	Illegal process of making money appear legitimate
<b>TF</b>	Terrorism Financing	Funding of terrorist activities
<b>PEP</b>	Politically Exposed Person	Individuals with prominent public functions, subject to enhanced scrutiny
<b>CDD</b>	Customer Due Diligence	Process of verifying customer identity and assessing risk
<b>EDD</b>	Enhanced Due Diligence	Additional checks for high-risk customers
<b>OGRA</b>	Online Gambling Regulation Act	Isle of Man legislation governing online gambling
<b>VASPs</b>	Virtual Asset Service Providers	Entities facilitating virtual asset transactions
<b>NFTs</b>	Non-Fungible Tokens	Unique digital assets stored on blockchain
<b>RG</b>	Responsible Gambling	Measures to promote safe gambling practices
<b>SE</b>	Self-Exclusion	A tool allowing players to voluntarily exclude themselves from gambling
<b>ICA</b>	International Compliance Association	Professional body offering AML/CFT certifications
<b>FATF</b>	Financial Action Task Force	International body setting AML/CFT standards
<b>MONEYVAL</b>	Committee of Experts on the Evaluation of AML/CFT Measures	Independent monitoring body of the Council of Europe that carries out assessments of AML/CFT measures in jurisdictions
<b>IAGR</b>	International Association of Gambling Regulators	Global regulatory forum
<b>GREF</b>	Gambling Regulators of Europe Forum	European regulatory forum
<b>INCB</b>	International Narcotics Control Board	UN body overseeing drug control
<b>FIU</b>	Financial Intelligence Unit	National agency for financial crime intelligence
<b>FSA</b>	Financial Supervision Authority	Isle of Man financial regulator
<b>MOUs</b>	Memoranda of Understanding	Agreements between regulatory bodies
<b>ATLAS</b>	(Internal system name)	GSC's regulatory data management system
<b>TRM Labs</b>	(Company name)	Provider of crypto compliance and investigation tools
<b>OSINT</b>	Open Source Intelligence	Publicly available data used in investigations and monitoring
<b>CPD</b>	Continuing Professional Development	Ongoing training and education

# Foreword

This year, the GSC has focused on building supervisory capacity to enable more effective, risk-based oversight. This has been essential in responding to new typologies and emerging threats that could undermine confidence in both the sector and the jurisdiction.

A key priority has been strengthening our risk-based supervisory controls. The GSC continues to play a vital role in identifying bad actors, sharing intelligence with law enforcement, and collaborating on enforcement and criminal investigations. As a supervisory body, we are committed to safeguarding the sector, and our efforts will continue into 2024/25.

Routine supervision remains central to our work, ensuring compliance with Isle of Man law. Our systems currently oversee approximately 240 entities, ranging from test houses and small registered charities to large online gambling operations. We have conducted entry controls and fitness and propriety assessments for over 580 individuals associated with gambling and medicinal cannabis.



**Jon Allen**  
Chairman

The Isle of Man is scheduled for evaluation by MONEYVAL in late 2026. In preparation, national-level coordination is ongoing, with agencies reviewing frameworks to ensure alignment with international standards. To support this, the GSC has enhanced its capacity for market entry controls, ongoing monitoring, supervision, and enforcement. Inter-agency cooperation remains critical to our role in combating financial crime, in line with the island's financial crime strategy and the FATF inter-agency model. Our mission this year has been to strengthen AML/CFT supervision and build the necessary capacity.

At the end of the reporting year, the GSC's role in the inter-agency model was pivotal. In collaboration with a police investigation, we swiftly suspended and subsequently cancelled licences in response to an emerging threat. This action underscored the importance of our strengthened supervisory framework. We have already initiated a review to further enhance our processes, with a focus on continued cooperation, intelligence sharing, and legislative reform to expand our investigative powers.

Finally, we acknowledge the retirement of Chief Officer Steve Brennan in November 2024, following 15 years of dedicated service. We thank him for his leadership and wish him a happy retirement. We also look forward to the opportunities and fresh perspectives that new leadership will bring.

**Jon Allen, Chair**  
**Mark Rutherford, Chief Officer (Acting).**





# Executive Summary

# At a Glance

## Licence Holders

**89**

**OGRA  
Licence  
Holders**

**4**

**Terrestrial  
Licence  
Holders**

## Responsible Gambling

**£905,891**

Contributed to research and treatment  
of problem gambling by Operators

**26%**  
Donated to organisations in the Isle of Man

**74%**  
Donated to organisations outside the Isle of Man

## GSC Staff

**52**

Total  
GSC  
Staff

**35%**

AML Ringfenced Staff



\*Including Vacancies

## Income & Expenditure

**£4,022,544** Income

**- £3,495,947** Expenditure

**= £526,597** Surplus

## Terrestrial AML Inspections

**6**

**Terrestrial  
Inspections**  
100% of sector

**3** Licensed Bookmaker

**3** Terrestrial Casino

## Online AML Inspections

**33**

**Online  
Inspections**  
35.9% of sector

**7**

Full AML/CFT

**1**

AML Enhanced  
Follow-up

**6**

General & AML  
Combined

**19**

AML Desk  
Based Review

# Executive Summary

This report covers the financial reporting year April 2023 to March 2024. Where data was available at the time of writing for 2024 it has been included. The Gambling Supervision Commission (GSC) is committed to combating financial crime in alignment with the Isle of Man's Financial Crime Strategy. Our vision is to foster a regulatory environment that promotes integrity, builds trust with international stakeholders, and collaborates with industry to maintain the Island's reputation as a robust, high-standard jurisdiction. In 2023/24, the GSC's mission focused on **Strengthening AML/CFT Oversight** by targeting four key areas:

**Building Capacity** Investment in human resources, technology, and expertise was a focus in order to equip the GSC with the capacity to detect new typologies and address emerging risks. In 2023/24, the GSC restructured to create a dedicated AML/CFT Division, recruiting and training a skilled workforce in AML inspections, enforcement, data, policy, and outreach.

**Use of Proportionate Sanctions** The GSC introduced a new enforcement team and framework, with a view to applying sanctions that have consideration of fundamental rights in order to encourage compliance. Sanctions are proportionate and tailored to the material risks arising from non-compliance. They act as a deterrent against bad actors, ensuring the sector and the jurisdiction remains credible and safe for international business.

**Increased Outreach** The GSC formed a new policy and outreach team to engage with domestic and international stakeholders. By providing targeted communication and staying informed through interactions with relevant agencies, the GSC is better positioned to identify emerging risks and foster an open dialogue with businesses and counterparts. Outreach will be used going forward to also educate the sector and promote compliance.

**Strengthening the Legislative Framework** Comprehensive entry controls are crucial for preventing bad actors from infiltrating the sector. To address emerging threats such as criminal ownership and control, the GSC is actively reviewing and revising existing legislation and policies. Strengthening these legal frameworks ensures that entry controls are more effective in safeguarding the industry, allowing for enhanced scrutiny and a more risk-based approach to decision making. This legislative review will improve the GSC's ability to respond to evolving risks and maintain a secure, transparent regulatory environment for the sector.

In January 2024 these developments became even more important following the publication of a UNODC report, (Casinos, Money Laundering, Underground Banking and Transnational Organised Crime in East and Southeast Asia: A Hidden and Accelerating Threat), highlighting the links between casinos and transnational organised crime in East and Southeast Asia. Such criminal operations facilitate the transfer of criminal proceeds across borders and enable illicit activities to infiltrate legitimate businesses. The shift to digital technologies, including online casinos and cryptocurrency exchanges, has further expanded these networks, making it easier to evade law enforcement. As regulatory scrutiny increases, organised crime is shifting its operations to more and more complex schemes.

In line with the Isle of Man's 2024-2026 Financial Crime Strategy, focused on an all-Island approach to tackling financial crime, the GSC will continue to work closely with law enforcement and intelligence agencies. By sharing intelligence and enhancing AML/CFT oversight, the GSC helps identify and disrupt criminal activity, as demonstrated by recent multi-agency action against potential bad actors seeking to use the Isle of Man as a base for illicit activity.

The GSC is committed to reviewing and improving its methods of oversight and building on the current framework. Improving ongoing collaboration strengthens the Isle of Man's commitment to protecting its gambling sector and the jurisdiction enabling better understanding of risk through cooperation.





**About the GSC**

# Commitment to Fairness & Protection

## Role

The GSC is a statutory board that licenses and supervises all land-based and online gambling that takes place on the Isle of Man. Supervision and approvals are carried out in line with statutory functions set out in legislation and aligned with the GSC's core regulatory objectives outlined in the Gambling Supervision Act 2010:

- Ensure gambling is conducted in a fair and open way;
- Protect children and vulnerable people from being harmed or exploited by gambling;
- Prevent gambling being a source of, associated with or used to support crime and disorder;
- Prevent the misuse of cannabiniol, cannabiniol derivatives, cannabis or cannabis resin in relation to those functions outlined in the Transfer of Functions (Cannabis) Order 2020.

## Functions

### Licensing & Approvals

The GSC supervised 104 online casinos, network and software supply companies during the period. Starting the period with 85 licence holders, 19 new licences were granted and 15 licence holders left the estate.

Throughout the period there were 4 terrestrial licence holders, (1 casino and 3 licensed bookmakers). Alongside licensing, the GSC registered 90 society lotteries and authorised gaming machine suppliers and premises.

In 2020 the GSC was tasked with oversight of a nascent medicinal cannabis sector as a trusted, experienced regulator with an established framework for entry controls. There are currently no licence holders.

### Supervision

Oversight of both AML/CFT and general compliance is an ongoing function. This is carried out through ongoing monitoring of entities, screening for PEP and sanctions as well as adverse media, ongoing risk assessments and quarterly regulatory returns. Entities provide audited financial statements annually and any changes in business model, ownership, control or key persons is subjected to entry controls.

### Inspection

Both General Inspections and AML/CFT inspections are conducted to assess compliance. Online and terrestrial casinos, Networks, software suppliers and licensed bookmakers are subject to AML/CFT oversight. Ring fenced AML/CFT teams inspect these entities using a risk-based approach to determine scope and frequency. During 2023/24 inspections evolved from combined AML/CFT and General to standalone inspections.

### Enforcement

IN 2023/24 the GSC undertook the formation of a dedicated enforcement team to ensure that it is able to take forward a range of proportionate sanctions where remediation measures are ineffective in inappropriate.

### Policy and Outreach

In order to inform and influence policy and strategy, the GSC work with industry through a regular AML Forum and more broadly through the Cabinet Office's Advisory Group and industry bodies such as EGSAB.

Internationally the GSC has agreements for co-operation in place with sports integrity bodies, gambling regulators and participates in worldwide and European regulatory forums such as IAGRA and GREF.

# Shaping Good Governance

## Accountability and Scrutiny

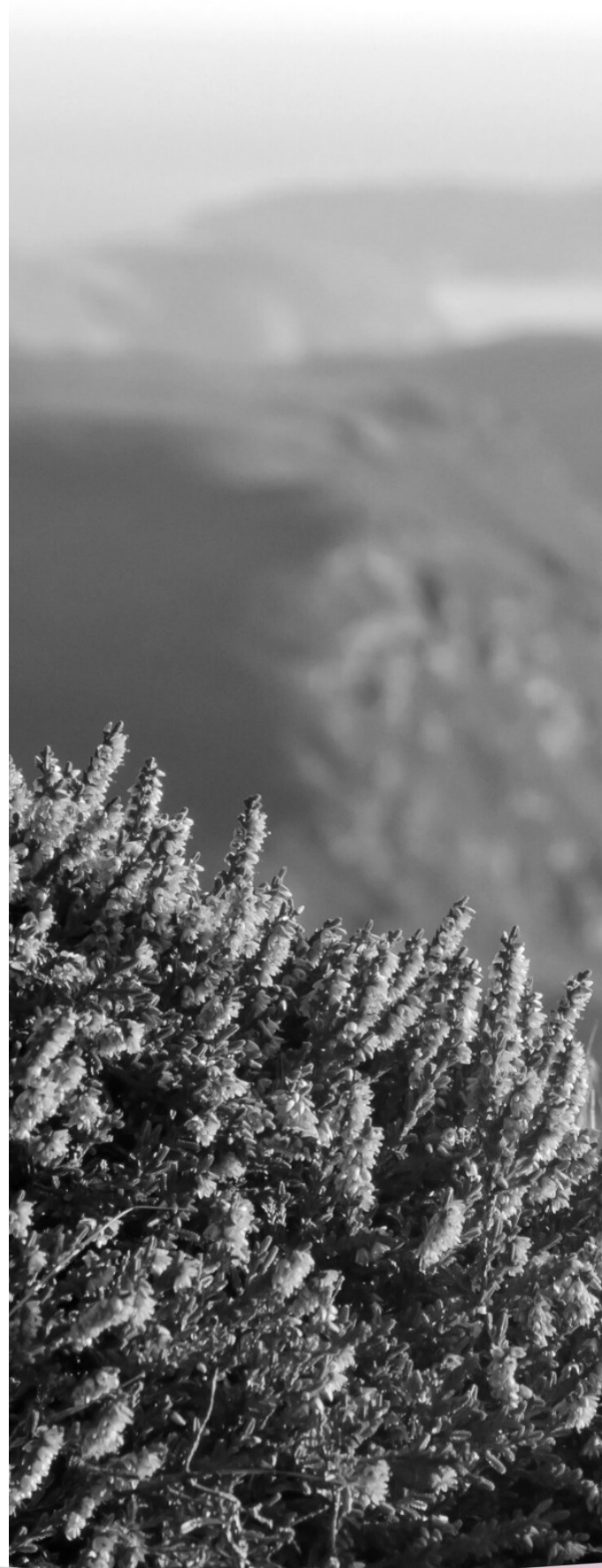
### **The Commission is subject to scrutiny in the following areas:**

- Tynwald, through the approval of new Commissioners, new legislation and annual reporting
- Government and Treasury through strategic objectives, legislative policy and proposals, budgeting and funding and establishment headcount
- Treasury Audit Advisory Division, which tests alignment of practice with internal processes. In 2024 the GSC is scheduled to undergo an audit of its complaints procedure.
- Industry, through consultation and outreach programmes on regulatory and supervisory proposals
- Other national regulators and the AML Policy Office who oversee the Island's AML/CFT/CPF framework.

## Finance

The Commission operates within a budget agreed with Treasury and within headcount as set out by Government.

Income and expenditure (set out in Appendix One) is reviewed by the Commission, Treasury and Government's Internal Auditors.





# The Board of Commissioners 2023/24



**Jon Allen**  
Chairman



**David Butterworth –**  
Deputy Chair



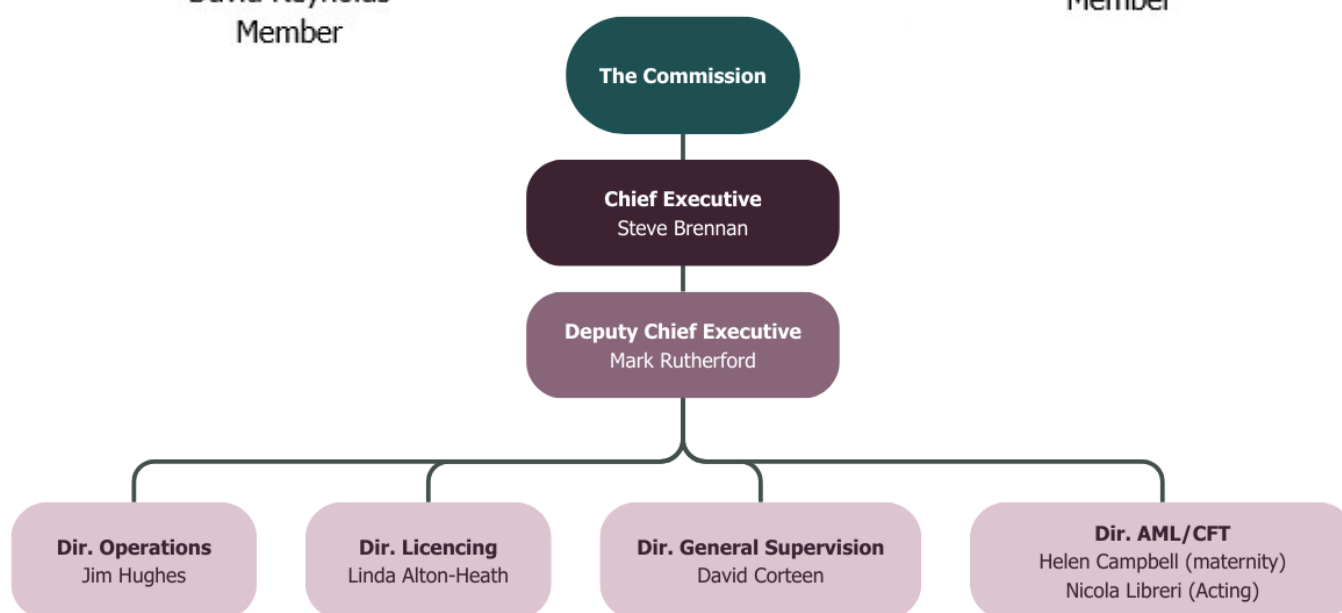
**Giles Day**  
Member



**David Reynolds**  
Member



**Greg Petts**  
Member



# Creating Capability

## Capacity

Staff turnover for the 2023/24 financial year was 5%, reflecting a notable improvement in retention compared to previous years. A key staffing change in 2024 was the retirement of Chief Executive Steve Brennan after 15 years of service. Recruitment efforts are currently underway to appoint a successor however Deputy Chief Officer Mark Rutherford is acting up in the role. With the continued growth of the sector and the evolving risk landscape, the GSC's primary focus for the upcoming year will be to secure strong leadership with expertise in AML/CFT.

At the close of the reporting year, the GSC employed 44 full-time staff members (including one on maternity) and had 8 vacancies, 4 of which were AML/CFT. Of the AML vacancies, 3 were newly created, limited-term positions aimed at developing longer term AML/CFT capabilities.

## Capabilities

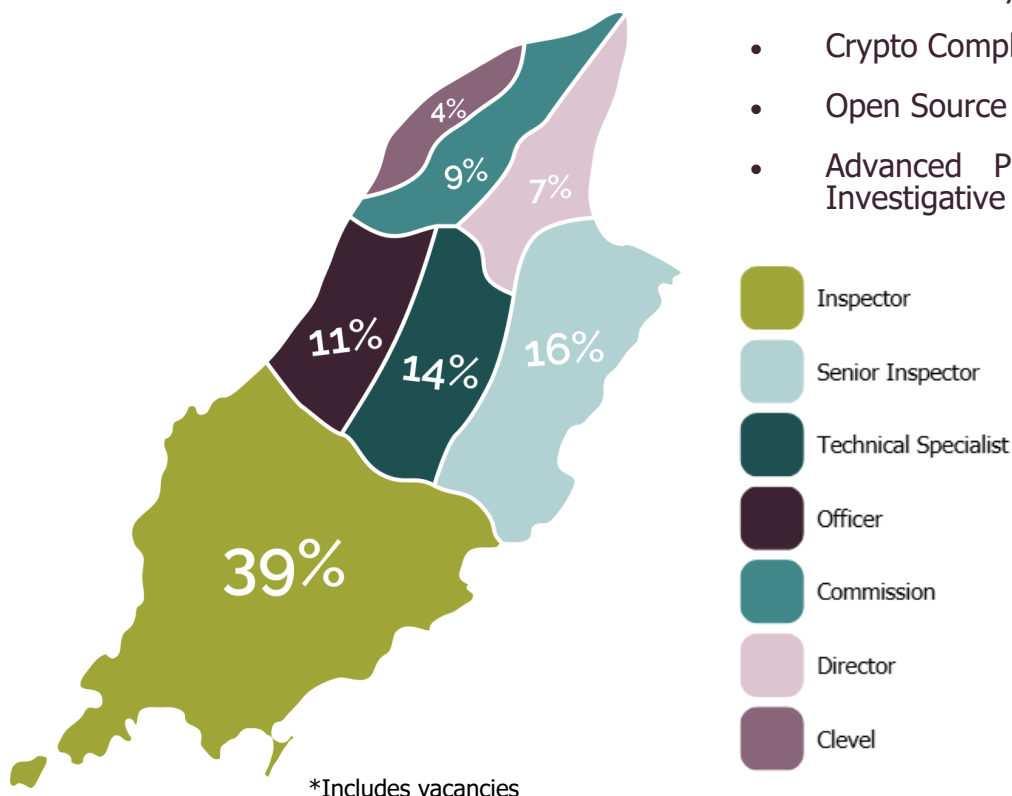
This year has seen a significant investment in both external and in-house training for AML/CFT, aligning with the GSC's mission to build a well resourced and supported AML/

CFT Division. All staff undergo mandatory training-

- AML/CFT Gambling Induction
- AML/CFT Virtual Asset Use in Gambling Induction
- Annual AML/CFT training (external)
- ICA Advanced Certificate in Money Laundering in Gambling.

**The following specialist, professional training and development was undertaken—**

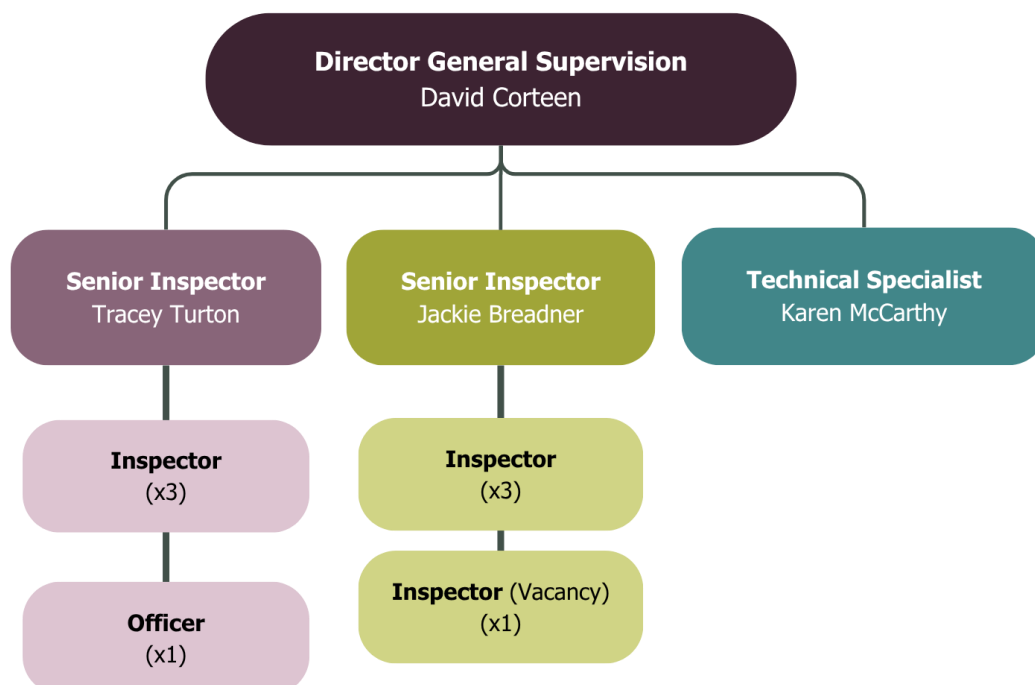
- ICA Certificate in KYC and CDD
- FATF Risk-based Supervision Curriculum
- FATF Standards, Methodology and Procedures
- ICA International Diploma in Sanctions
- ICA International Diploma in AML
- ICA International Diploma in GRC
- Advanced Crypto Investigator
- Crypto Compliance Specialist
- Open Source Internet Investigations
- Advanced Professional Certificate in Investigative Practice



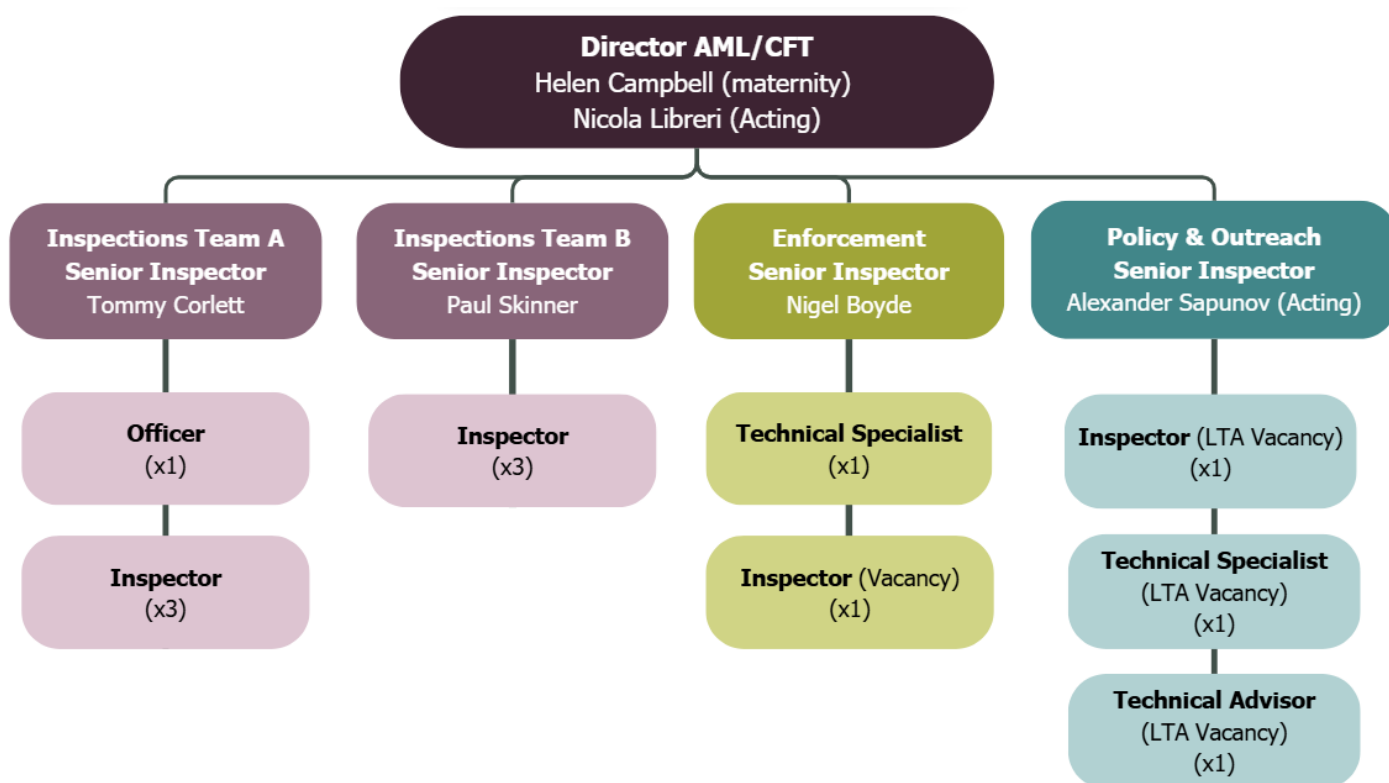


# Organisational Charts 2023/24

## General Supervision

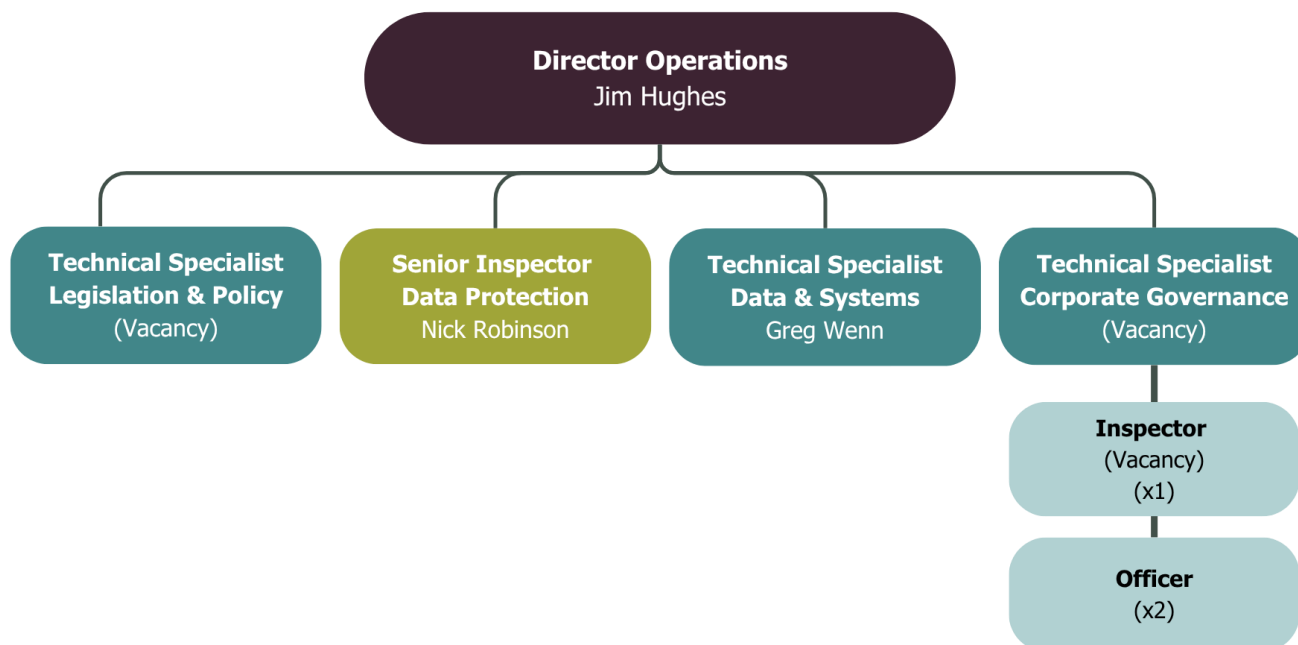


## AML/CFT Enforcement

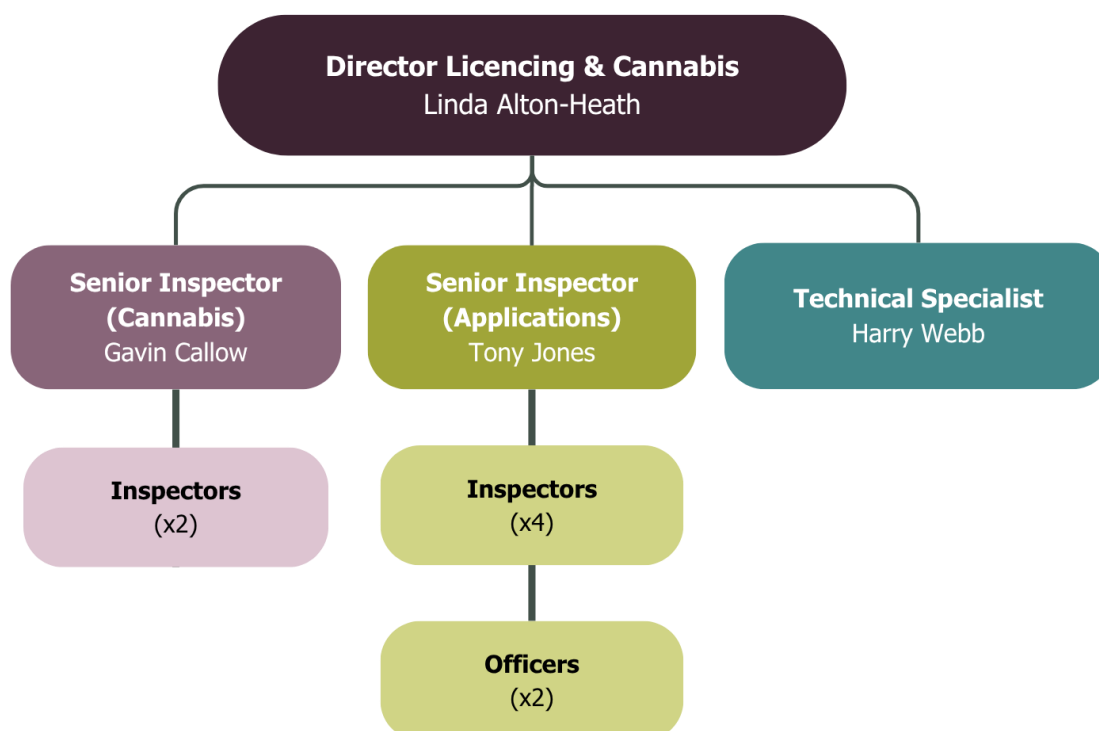


# Organisational Charts 2023/24

## Operations



## Licencing



# GSC Staff Snapshot

Late in 2023 the GSC divided into four new divisions, with the purpose of forming a more comprehensive structure with clearly defined roles under the GSC's regulatory remit.

The purpose was to make sure that AML/CFT was an institutional priority.

## The divisions are-

- AML/CFT
- General Supervision
- Licensing
- Operations

## AML/CFT Division

Since the creation of the four divisions, work has been ongoing to build and strengthen the AML/CFT division and during the period the division had 4 vacancies, three of which are new limited term appointments.

The division is split into three sub-divisions each formed by a team of inspectors, headed up by a Senior Inspector and supported by technical specialists and a dedicated Officer.

## The AML/CFT sub-divisions cover-

- AML/CFT Inspections
- AML/CFT Policy and Outreach
- Enforcement

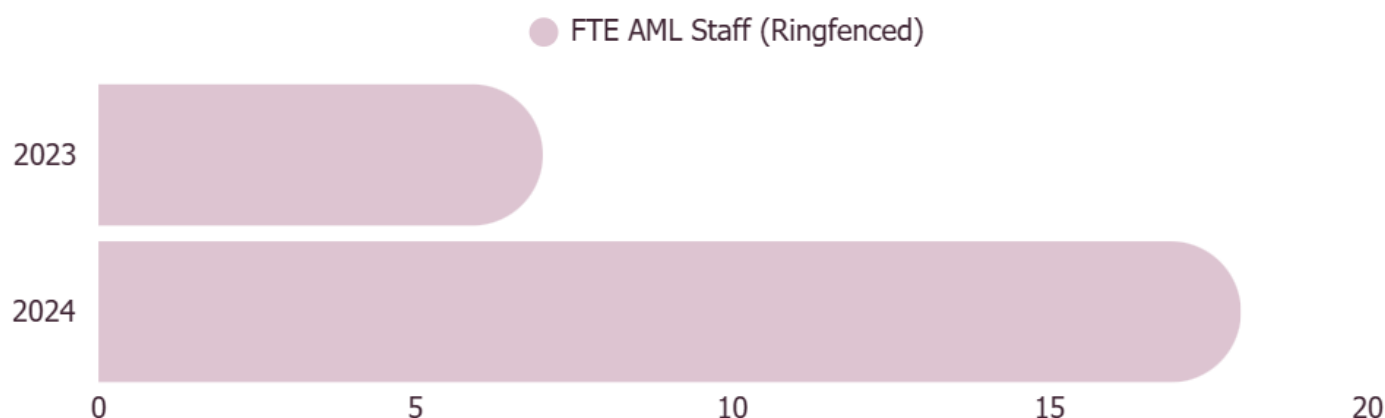
The inspections team are further split into two separate teams based on risk profiles. The high risk inspection team focus on scheduled onsite and offsite supervision of high risk operators and can mobilise ad-hoc inspections in response to triggers.

The standard risk team manage a programme of ongoing scheduled onsite inspections for all licence holders, the frequency of which is risk-based.

## Other AML/CFT

AML functions are also carried out within other Divisions. Licensing undertake entry controls for applicants, analysing business plans, financial information, due diligence and policies. General Supervision hold responsibility for ongoing and renewed entry controls, screening and ongoing monitoring.

## AML/CFT Staff





# **Sector Dynamics**

Gambling, Software & Medicinal Cannabis

# Adaptive Regulation

## Terrestrial

The local sector consists of terrestrial premises for betting and gambling which include a casino, retail bookmakers and a slot machine industry, primarily servicing the local hospitality sector. In addition society lotteries, organised and operated largely by charities or sports and social clubs, host raffles, prize games and gambling events that are permitted where not for commercial benefit.

During the year, an additional slot machine supplier was approved by the GSC bringing the total number of suppliers to 5. The number of premises approved for machines to be sited decreased by two, bringing the total to 77. An additional licensed betting office was also approved for an existing bookmaker in the North of the Island during the reporting period.

## Online Casino

A licence to conduct online casino activities, authorises operators to provide remote gambling products including sports betting, poker, casino and slot games and bingo, to players via internet or electronic communication. Holders of this licence must adhere to stringent regulatory standards set by the GSC, ensuring fairness, security, controls for AML/CFT and the protection of vulnerable players in accordance with legislation.

Under the primary licensing legislation for all online services, Online Gambling Regulations Act 2010 (OGRA) are secondary regulations outlining requirements for games testing, player accounts, and the protection of player funds amongst other requirements. All online casinos are subject to the Gambling AML/CFT Code 2019 (AML Code).

## Network Services

Operators that host online platforms which provide software or back office services to online casinos are required to obtain an Online Gambling Regulations Act 2010

(OGRA) licence permitting Network Services. Although not classed as online casinos, holders of this type of licence are subject to the AML Code. This is due to higher AML/CFT risks as they may provide platforms that allow for direct interaction with online casinos and their customers. Network licence holders are required to operate robust governance, responsible gambling and AML/CFT programmes.

## Software Services

For companies that want to develop and supply software directly to Isle of Man licence holders via a register of approved games, an OGRA licence can be obtained. This prevents the need for each operator to arrange testing of individual products.

The number of software companies licensed by the GSC continues to grow although, as a proportion of all applications, software licences formed a quarter of the GSC's applications in this reporting period, as compared with half in the previous period.

Software supply licence holders are not online casinos and therefore do not have a requirement to be AML/CFT supervised under international standards. However in line with a risk-based approach due to the increasing numbers the GSC has introduced a supervisory framework for holders against dedicated AML/CFT guidance.

Token based software supply describes the permission to supply software that is based on blockchain technology. There are no holders of this licence type during the period of this report.

## Sub Licence

A sub licence permission allows for the supply of players to the platform of one online casino that holds an OGRA licence and is an exclusive arrangement. They are subject to regulations and the AML Code. There was one operator with sub licence permissions during the 2023/24 period.



# Maintaining Standards

## Virtual Assets in gambling

In 2016 the GSC introduced regulations allowing the use of virtual assets and virtual goods as methods of deposit. Virtual assets include virtual currencies such as Bitcoin and Ethereum which can be used as a digital currency. It also includes virtual goods such as Non-fungible tokens (NFTs). NFT's can be a digital representation of the ownership of an asset (often digital artwork). Both types of virtual asset are stored on a distributed network known as a blockchain.

Deposits can be facilitated via a Virtual Asset Service Provider (VASP) in which case the GSC requires consideration is made of the AML/CFT risks of payment channels. This includes the regulated nature of the provider and the level to which the jurisdiction complies with FATF standards on VASPs.

The GSC includes within the definition of virtual goods "skins" which are used to decorate avatars and items of equipment in video games, as well as game gold and the contents of loot boxes. These do not have to be stored within the blockchain and usually exist only within the platform that created them.

The GSC introduced separate AML/CFT guidance and framework for licensees using crypto assets.

During this report period two additional licensees were approved to offer gambling in virtual currency and two ceased, keeping the total at 16 licensees. Virtual assets were 4.5% of the total deposits during 2023/24.

A small number of licensees and applicants use blockchain products, including smart contracts, as part of their offering. Smart contracts are pieces of code that exist in a blockchain and can be written to execute a set of instructions when specific parameters are met. Alongside the testing of gaming software, smart contracts must be independently audited to ensure they perform as predicted. There were no licence holders using blockchain driven products during the period.



## Insights 2023/24

### GSC Online Casino and B2B Licence Holders (2021—2024)

Licence holders have seen a steady increase year on year. Since 2021, GSC licence holders have grown 62%, with an increase of 5% during the reporting period. The permissions approved under those licences have also increased as shown below.

Year	Total Licence Holders
2021	55
2022	70
2023	85
2024	89

### Online Split by Licence Permissions (2021-2024)

The majority of Operators supervised by the GSC hold online casino licences, however since licensing for Software Supply was introduced in 2021, this permission has continued to grow. Licence holders can hold multiple permissions across B2C (Online Casino) and B2B (Network, Software Supply and Token Based Software Supply) permissions under one licence. “Token based” refers to the use of on chain products or virtual assets. All activity on a licence is supervised for AML/CFT and General Supervision against either legislative requirements and/or guidance as appropriate and each permission is subject to a process of approval.

Year	Online Casino	Network	Software Supply	Token Based Software Supply	Total Permissions
2021	31	10	16	0	57
2022	40	14	28	0	82
2023	52	15	31	0	98
2024	48	18	38	0	104

### Terrestrial

Terrestrial Operator numbers have remained consistent. The island hosts one land based Casino, and 3 licensed bookmakers operating across 9 licensed premises, all of which are subject to entry controls, ongoing monitoring and supervision for AML/CFT and general compliance. The GSC approved a total of 5 suppliers of gaming machines, it licences and supervises 77 gaming machine premises and holds a register of and oversees returns relating to society lotteries which numbered 90 during the reporting year.



# Evolving Compliance

## Medicinal Cannabis

Significant challenges previously encountered in the licensing process due to data protection concerns have been effectively addressed through comprehensive legislative reforms. These changes, now fully implemented, have strengthened the regulatory framework to ensure it is resilient and fit for purpose.

Another key focus during the reporting period was the regulation of the manufacture and sale of cannabis-based medicines on the Isle of Man. Progress has been made in establishing formalised procedural agreements, with finalisation anticipated early in the next reporting year, paving the way for clear and consistent regulatory oversight.

The successful resolution of these issues has created a strong foundation for ongoing policy refinement and sector development. This period has been characterised by extensive collaboration with international regulators, industry experts, and local stakeholders, aligning the Isle of Man's regulatory framework with global best practices and reinforcing its commitment to a well-regulated, sustainable sector.

Active participation by the GSC in both domestic and international forums has further elevated the Island's profile in the medicinal cannabis space, facilitating valuable knowledge exchange, partnership building, and showcasing regulatory advancements.

Looking ahead, the upcoming year represents a critical phase for the medicinal cannabis sector, marked by the anticipated approval of planning for the Island's first dedicated cultivation and manufacturing facility. A number of promising projects are in development, positioning the Isle of Man as a growing hub for medicinal cannabis innovation and production.

In summary, the GSC's strategic efforts over the past year have established a strong framework to support the continued growth and regulation of the medicinal cannabis sector. By resolving key challenges, enhancing regulatory structures, and fostering strong partnerships, the Isle of Man is well-positioned to ensure effective oversight and sustainable development within this evolving sector.





# Effective Entry Controls

This year, the GSC has built the infrastructure to conduct outreach to other gambling regulators when processing applications for online gambling licences. This work arises from a recommendation given following an external review of the GSC's entry control and supervisory processes.

In 2021, the GSC introduced a new licence type for software providers operating outside the online casino space. This resulted in a marked increase in applications in the subsequent years as the market responded to the opportunity. As shown in the graph below, application volumes have since begun to stabilise, reflecting a maturing market and the

natural levelling off of growth as the licence type approaches saturation.

The applicants which did not reach approved status were withdrawn. This can occur for various reasons, such as changes in business strategy or funding, incomplete application information, delays in providing documents, or unmitigated regulatory concerns. Planned changes in the regulatory framework will provide more scope for the GSC to reject applications where there is a reasonable concern or sufficient AML/CFT risk.

During the period the GSC carried out not only application entry controls but also renewals of existing licence holders and fitness and propriety checks on new owners or controllers.

Entry Controls 2023/24 year		
Type of licensee	Licences granted or re-newed	Licences surrendered/not renewed
Licensed betting offices	3	0
Land based casinos	1	0
Controlled machine suppliers	5	0
Online Casino/Network/Software	24	15

Licence Applications By Year





# **Key Achievements**

Strengthening AML/CFT Supervision

# Building Capacity

Due to the recent and continued growth in the sector in April 2023 the GSC initiated a plan to increase capacity with a focus on AML/CFT. This project was concluded towards the end of 2023 and has significantly increased the GSC's ability to strengthen oversight of the sector, providing an increased focus on AML/CFT supervision to strengthen controls and respond to emerging risk threats.

The profile of the regulated sector has changed over the last few years and following assessments of this change the GSC implemented risk-based AML/CFT supervision for non-casino business.

A targeted programme of AML/CFT focused training, including specialised sessions for AML inspections, is essential to developing a skilled and knowledgeable workforce. External guidance also provides clear regulatory expectations for licence holders to support compliance. During the reporting period, the AML/CFT guidance underwent a thorough consultation process and was subsequently updated. Updates include new, specific guidance addressing virtual assets and requirements for software licence holders.

In total 31 inspections were initiated in 2023/24. 39 AML/CFT inspections, (6 combined and 33 standalone), were completed during the reporting year of which 20 included full onsite inspections. A total of 32 desk based inspections were also completed as standalone inspections for low risk entities or as part of a full inspection.

## Outcomes

Increased capacity and separate functions has improved operational functions meaning the GSC has:

- Successfully carried out all scheduled inspections and completed a backlog of AML/CFT inspections.
- Established distinct teams for higher risk and standard risk inspection.

- Implemented an enhanced risk-based programme of supervision, driven by quarterly risk assessments.
- Strengthened AML/CFT training and updated guidance which have in turn contributed to developing a skilled and capable workforce, working to clear guidance and equipped to effectively conduct inspections and address emerging risks.

AML/CFT inspections during the period were desk-based for low risk and impact entities and full inspections with onsite for all others.

## Next Steps

With the necessary resources now in place to support all scheduled inspections the GSC will implement a programme of onsite inspections for all entities including those with low risk.

Additionally the GSC plan to implement a programme of thematic and targeted inspections allowing for a more responsive approach to risk events. This will ensure the GSC remains agile and capable of addressing risks as they arise.



# Using Proportionate Sanctions

Since 2018 the GSC has had an increased range of enforcement tools available under the Gambling AML/CFT Act. These tools include the ability to issue public statements, warning notices and civil penalties. However the application of these enforcement mechanisms has been constrained by the absence of a robust mechanism and dedicated staff to investigate and assess the proportionality of potential actions.

Type	2021/22	2022/23	2023/24
Warning Notice	1	1	1
Cancellation			1
Suspension			
Civil Penalties			
Public Statements			
Direction to Attend			

Understanding the importance of having a comprehensive regulatory approach to non compliance, this year's focus has been the development of the necessary infrastructure to support competent and thorough investigations and decision making.

Efforts have been directed towards building internal capacity, ensuring the GSC is well equipped to apply enforcement measures in a fair manner. This includes not only building the technical capabilities of a new enforcement team but also developing clear guidelines to ensure consistency in decision making.

An overview of the new enforcement team and the framework was provided to industry through the AML Forum in January 2024 and further outreach will be carried out following the launch of the framework.

## Outcomes

By June 2024 the GSC will have published all key documents that make up the new enforcement framework on a dedicated webpage which will include:

- **Enforcement Strategy**

Outlines the GSC's commitment to conducting investigations and enforcement in a fair manner aligned with regulatory objectives.

Sets expectations for good governance, compliance and risk management for licence holders.

- **Enforcement Decision Making Process**

Details the steps taken where the GSC makes decisions to ensure they are consistent with regulatory objectives

Ensures decisions are made in accordance with the principles of natural justice and are reasonable.

- Guidance on when the GSC will refer matters for criminal investigation.
- Guidance for individuals on interviews.
- Policies on discretionary civil penalties, prohibitions, publication of sanctions, settlement and use of experts.

## Next Steps

The GSC has built strong internal capacity and are finalising a new, robust enforcement framework.

When there are clear protocols in place for evaluating the severity of breaches and mechanisms for ensuring enforcement decisions are transparent and well documented, the next steps will be utilising the full range of sanctions.

Implementing a broader range of sanctions allows the GSC to tailor responses more effectively. It serves as a stronger deterrent, encouraging compliance with regulations and best practice. The GSC will look to make best use of civil penalties as part of a comprehensive deterrent against ML and TF.

Outreach will continue around the new framework with stakeholders including a planned launch event in June 2024, a question and answer session and a survey. It is also planned to carry out outreach to stakeholders that provide ancillary services to licence holders such as banks and the law society.

# Increased Outreach

Over the past year, the GSC has significantly expanded its AML/CFT outreach and engagement efforts. As part of this a comprehensive review and update of AML guidance was carried out to reflect evolving risks and international best practices.

The GSC presents biannual AML forums, hosting guest speakers from the Cabinet Office AML/CFT Policy Office, Financial Intelligence Unit and Customs and Excise Division.

## Topics for outreach in the period included-

- AML/CFT Inspection Scheduling
- Technology Risk Assessments
- Customer Risk Assessments
- Business Risk Assessments
- Enforcement Framework
- Sanctions
- Suspicious Activity Reports
- Improving Effectiveness

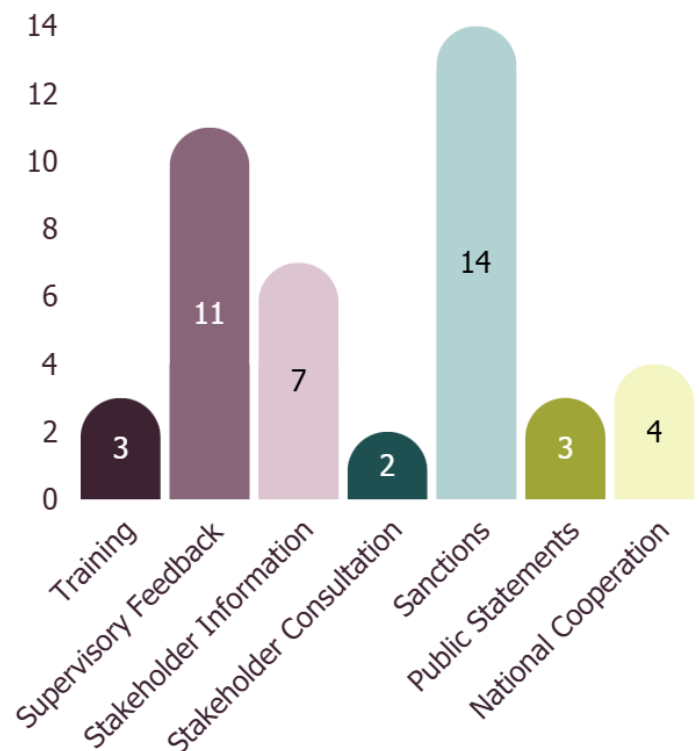
In addition, the GSC provided training to other agencies on topics such as gambling and virtual assets, AML inspections, and emerging typologies. Public statements were also issued to raise awareness of illegal gambling risks and proliferation financing.

## Outcomes

- Strengthened cross-agency collaboration through increased engagement and knowledge-sharing.
- Improved awareness and understanding of AML/CFT responsibilities across the sector.
- Enhanced regulatory alignment through the sharing of best practices in supervision, enforcement, and framework development.

- Greater sector transparency through public communication on key risks such as illegal gambling and proliferation financing.
- Elevated the Island's contribution to international efforts to combat financial crime by promoting consistent standards and proportionate enforcement.

## AML/CFT Outreach provided



## Next Steps

Looking ahead, the GSC aims to build on this momentum through:

- Broader use of social media to communicate key messages and guidance.
- Development of additional outreach tools, including webinars and other digital media formats.
- Continued focus on public education and cross-agency collaboration to ensure the sector remains resilient to emerging financial crime threats.

# Strengthening the Regulatory Framework

A significant project in 2023/24 was to undertake a comprehensive review of legislation to modernise and strengthen the gambling regulatory framework. These reforms are designed to enhance the GSC's ability to effectively oversee the sector and ensure compliance with international standards. Key focuses include standardising inspection and investigation powers to provide clearer, more consistent authority across all regulatory activities, and increasing enforcement powers to better address breaches and deter non-compliance.

The reforms will also bring greater clarity to risk-based licensing decisions, enabling more informed and transparent regulatory judgments. Additionally, efforts are underway to align terminology consistently across all gambling legislation, reducing ambiguity and improving regulatory coherence. Collectively, these changes aim to reinforce the Isle of Man's position as a well-regulated jurisdiction committed to upholding robust, internationally aligned standards.

## Outcomes

- Strengthened regulatory framework through clearer and standardised inspection and enforcement powers.
- Improved consistency and transparency in licensing decisions based on AML/CFT risk.
- Enhanced clarity and cohesion across gambling legislation by aligning terminology.
- Increased ability to deter and address non-compliance effectively.
- Reinforced alignment with international regulatory standards, supporting the

Island's reputation and compliance efforts.

## Next Steps

- Develop detailed legislative proposals reflecting reform objectives.
- Engage stakeholders through a formal consultation process to gather feedback.
- Collaborate with government and legal advisors to draft updated legislation.
- Plan education and communication initiatives to support smooth implementation.
- Monitor and adapt the regulatory framework in response to emerging risks and evolving best practices.







# Supervision

Reflecting on the year

# Safer through Supervision

Supervision is risk-based and informed by ongoing data collection and inherent risk factors which form an ongoing quarterly assessment of an operator's risk profile. A wide selection of AML/CFT and general supervision tools are used to supervise the sector.

Risk-based supervision is fundamental to upholding the integrity of the sector by focusing regulatory resources on the areas of highest risk. By prioritising inspections and monitoring based on risk assessments, regulators can more effectively identify and address potential compliance issues before they escalate. This targeted approach, aligned with FATF recommendations, ensures that enforcement actions are proportionate and impactful, promoting transparency and accountability across the sector. Ultimately, risk-based supervision fosters a safer, more trustworthy environment for all stakeholders, strengthening public confidence and supporting sustainable and stable sector growth

## Quarterly Reports

AML/CFT data and Financial data is collected quarterly. The information collected from online operators provides dynamic information to an inherent risk assessment for each firm, which in turn drives frequency and scope of inspection. During the 23/24 period the GSC received and analysed a total of 664 quarterly returns.

## Supervision and Monitoring

Audited annual returns are required within 6 months of each firm's year end and are analysed. Additional AML/CFT risk data is collected through a system recently deployed by both the GSC and the FSA. Information from the reports will be used to provide more in-depth information to operator risk assessments and to collect data for national and sectoral risk assessments.

The GSC received over 14,300 supervisory returns, approximately 13,500 of which were online games test certificates. All returns were analysed using both manual analysis

and automated thresholds. Due to the volume of games certificates dip samples are taken from bulk submissions.

Supervisory Submissions 2023/24	
Type of return	Submissions
Land based Casino unusual incidents	12
Land based Casino return-to-player reports	4
General quarterly returns	406
AML/CFT quarterly returns	258
Audited financial statements	68
Online live dealer audits	64
Online games test certificates	c.13500
Society lottery returns	29 (Jan-March 24)

The GSC conducts enhanced fitness and propriety, due diligence and source of wealth checks on all owners and controllers including senior managers, directors and beneficial owners. For other roles fitness and propriety checks are risk-based and the GSC may undertake additional checks at its discretion. Checks for key role holders include CDD, criminal records checks, screening with other authorities and sanctions, PEP and adverse media screening.

Checks are undertaken at licensing as part of entry controls, at five year renewal and during any change of beneficial owner or key controller. Sanctions, PEP and adverse media checks are carried out on a daily basis for all entities and individuals.

Entry Controls and Monitoring 2023/24	
Type of return	Submissions
Fitness and propriety checks	553
Ongoing monitoring (individuals & entities)	429
Third party EDD reports	12
Criminal Records Checks	146
MLRO/AML/CFT Officer interview	5



# Safer Through Supervision

## Inspections

In 2023/24 the GSC conducted 14 full onsite inspections for AML/CFT and closed 7 inspections. In addition the inspections teams carried out 6 combined AML/CFT and general inspections. Going into 2024/25 general inspections will be undertaken by the General Supervision Division. AML/CFT inspections will be scheduled as standalone events. General Supervision will continue to support AML/CFT inspections by attending onsite visits to look at cross-over areas such as responsible gambling and financial integrity.

One enhanced follow up AML/CFT inspection was undertaken due to deficiencies found on a full scope inspection. This was to ensure timely remediation was carried out in accordance with agreed timeframes.

Inspections are scheduled based on operator risk and can be either desk based or a full inspection which includes both desk based and onsite elements. Desk based inspections during the period were only carried out for lower risk entities. Going forward desk based will primarily only be used for thematic inspections.

## Operator Social Responsibility

Licensees are expected to make a contribution towards education, research and treatment relating to problem gambling. The GSC coordinates this activity by setting a date for the contribution to be declared, by weighing the credibility of the contribution and by following up those licensees that miss the contribution date.

Operator contributions to support education, research and treatment of problem gambling for the year 2023/24.		
Financial contribution to organisations in the Isle of Man	Financial contribution to organisations not in the Isle of Man	Total of financial contributions to organisations
£237,047	£668,844	£905,891
Non-financial contributions	Nil	

Completed Inspections 2023/24		
Terrestrial	2023/2024	% of Sector
Casino	3	100 %
Licensed Bookmakers	3	
Online AML/CFT Inspections		
Full AML/CFT inspection	7	35.9%
AML Enhanced Follow up inspection	1	
Combined AML/CFT and General inspection	6	
AML/CFT Desk Based Review	19	
Non AML/CFT		
Desk Based Review	13	14.6%
Website Audit	22	N/A

# Strengthening Co-operation

Regulatory cooperation plays a crucial role in the effective prevention and detection of risk and emerging typologies. Given the global nature of financial crime, collaboration between regulators, both domestically and internationally, is essential to identify, assess, and respond to emerging risks.

## Memorandum of Understanding

The GSC holds MOUs with the following regulatory bodies—

- Alderney Gambling Control Commission
- Danish Gambling Authority
- Estonia Tax & Customs Board
- Netherlands Gaming Authority
- IoM Dept Health and Social Care
- IoM Financial Intelligence Unit (FIU)
- IoM Financial Supervision Authority (FSA)
- IoM Treasury
- Jersey Gambling Commission
- Malta Lotteries & Gaming Authority
- Norwegian Gaming Authority
- Seychelles Financial Services Authority
- UK Gambling Commission

The GSC will be embarking on a project to update existing co-operation agreements and establish new ones with the aim of improving regulatory collaboration.

## Intelligence and Information

Intelligence plays a vital role in both domestic and international co-operation in combatting money laundering and managing risk.

The GSC regularly exchanges information with domestic and international competent authorities. During the period information

exchanges over and above standard GSC entry control requests have been facilitated with the following authorities—

Agency	2023/2024
IOM FIU	67
IOM FSA	2
New Jersey Gaming Commission	1
UK Gambling Commission	2
State of Delaware Gaming Enforcement and Homeland Security	4
Indiana Gaming Commission	1
Pennsylvania Gaming Control Board	6
Victoria Gambling and Casino Commission	1
Colorado Division of Gaming	1
FIFA	1
Gambling and Wagering Commission of Western Australia	1
Rhode Island State Gaming Enforcement Unit	2
UK FCU	1
Sports Betting integrity Unit	10
Malta FSA	1
Jersey Gambling Commission	2
Ontario Alcohol and Gaming Commission	1
Other	5

# Building Relationships

## Memberships

The GSC is a member of the European regional regulatory association, the Gambling Regulators of Europe Forum (GREF). It is also a member of the worldwide regulatory association, the International Association of Gaming Regulators (IAGR). These 2 associations provide the GSC with the opportunity to meet, exchange views and information and discuss policy issues and matters of common interest. Additionally, and importantly, they are an opportunity to build professional relationships and cooperation between regulators.

The Isle of Man, along with Jersey, Guernsey and the United Kingdom is represented at the International Narcotic Control Board (INCB) in Vienna, by the Drugs and Firearms Licensing Unit of the Home Office. There is a quarterly meeting held between these jurisdictions to build professional relationships and cooperation between regulators.

## Betting Integrity Expert Group

Betting integrity is the sum of mechanisms used by regulators, sport governing bodies and law enforcement to detect, disrupt and sanction cheats within sport and cheats who gamble on matches whose outcomes they have influenced or know to have been influenced by means of coercion or inducement. This dishonest behaviour is sometimes known as match-fixing.

Throughout 2023/24, the GSC has continued to work closely with the various sporting bodies, receiving 10 sports betting integrity queries, down from 38 in the previous year. As was the case last year, the vast majority of the queries received during 2023/24 were from the Esports Integrity Commission.

## Outreach

The GSC has hosted various external sessions for Operators, other agencies and international bodies.

Outreach included discussions, surveys, working groups, panels and various presentations. The main event in the GSC's calendar is the twice yearly AML forum which is hosted by the GSC and includes guest speakers from other agencies.

Training was delivered on AML/CFT gambling risks and supervision to other competent authorities.

The GSC hosted a total of 32 outreach and training sessions for external attendees during the reporting period. Of those 32, the majority were presentations made by the GSC, with an average of around 50 attendees including licence holders, compliance professionals and members of other competent authorities.

The GSC facilitates wider collaboration to understand national risk through industry and regulatory representation on the AML/CFT Advisory Group, the Financial Crime Strategic Board, and the AML/CFT Effectiveness Group all chaired by Isle of Man Cabinet Office.

A significant project that will continue into next year is wider national work on risk, including national risk assessments and Government wide preparations for the upcoming Moneyval evaluation scheduled for Autumn 2026. This will include both internal and external reviews of the GSC's legislative framework and supervisory controls to measure them against any changes in international standards.

# Focussed on Resolution

## Dispute Resolution

All licence holders of the GSC are expected to offer a dispute resolution process should a player feel aggrieved by some aspect of their interaction with the licence holder. Where satisfaction has not been achieved, a player has the option to put their grievance to the GSC. For this reason, the GSC does not receive complaints from operators about players, all complaints processed by the GSC originate from players.

Not all complaints received by the GSC are disputes. Complaints may be received from players expressing confusion or doubt about an operator's behaviour, for example, by requiring photographic ID to be supplied before winnings can be withdrawn. These are resolved by the GSC outlining regulatory requirements and will often lead to a review of the operator's terms and conditions.

Some players start complaints but unilaterally abandon them when the GSC responds. These statistics are recorded under a neutral core principle called "undefined".

\* included in this figure are both complaints received regarding non IOM licensed entities and complaints that are dormant following no further information being received. For these complaints no findings were made.

Complaints statistics for 2023/24					
Core principle	Number of complaints received*	Number of complaints resolved*	Where a dispute occurred, findings in favour of:		
			Complainant	Operator	Mutually resolved*
Excluding crime	34	31	1	14	16
Protecting young & vulnerable	6	5	0	1	4
Fairness in gaming	72	64	3	27	34
Undefined (No Response after initial contact)	4	4	0	0	4





**Responsible Gambling**

# Staying in Control

A Responsible Gambling (RG) Survey was sent out in 2024, exploring the effectiveness of the RG controls utilised by Operators. The survey was sent out to the 35 holders of a Full or Network Services OGRA licence that, on 1 December 2023, were actively trading on a Business-to-Customer basis. The data collected was for the period 1 January 2023 to 31 December 2023. Engagement with the survey was high, with the GSC receiving 33 replies.

The GSC believes that the safeguards written into the Isle of Man's current gambling regulations are effective in helping players manage their participation in gambling. Where those safeguards fail for whatever reason, self-exclusion and sign-posting to problem gambling organisations is an effective regulatory measure. These measures, combined with substantial voluntary annual contributions towards the treatment and research of problem gambling create a stable and safe environment for customers. However this critical and sensitive area is periodically reviewed to ensure that it still delivers consumer safety. This year, the GSC conducted such a review.

## Underage Gambling

All operators have measures to prevent minors from registering. Information from the review indicated that 2,972 underage registrations were refused or cancelled.

All respondents indicated that they believed the existing tools to be 'effective' or 'very effective' in preventing underage people from gambling with their services.

## Responsible Gambling Measures

- All operators offer at least one form of limit setting (deposit, spending, or loss limits).

- Approximately 2.5% of registered customers use transaction-limiting controls.
- About 0.8% of registered customers use self-exclusion (SE) facilities.
- Total SE usage in 2023 was 21,999 cases.
- 5,134 attempts to circumvent SE were detected and prevented.

## General Measures

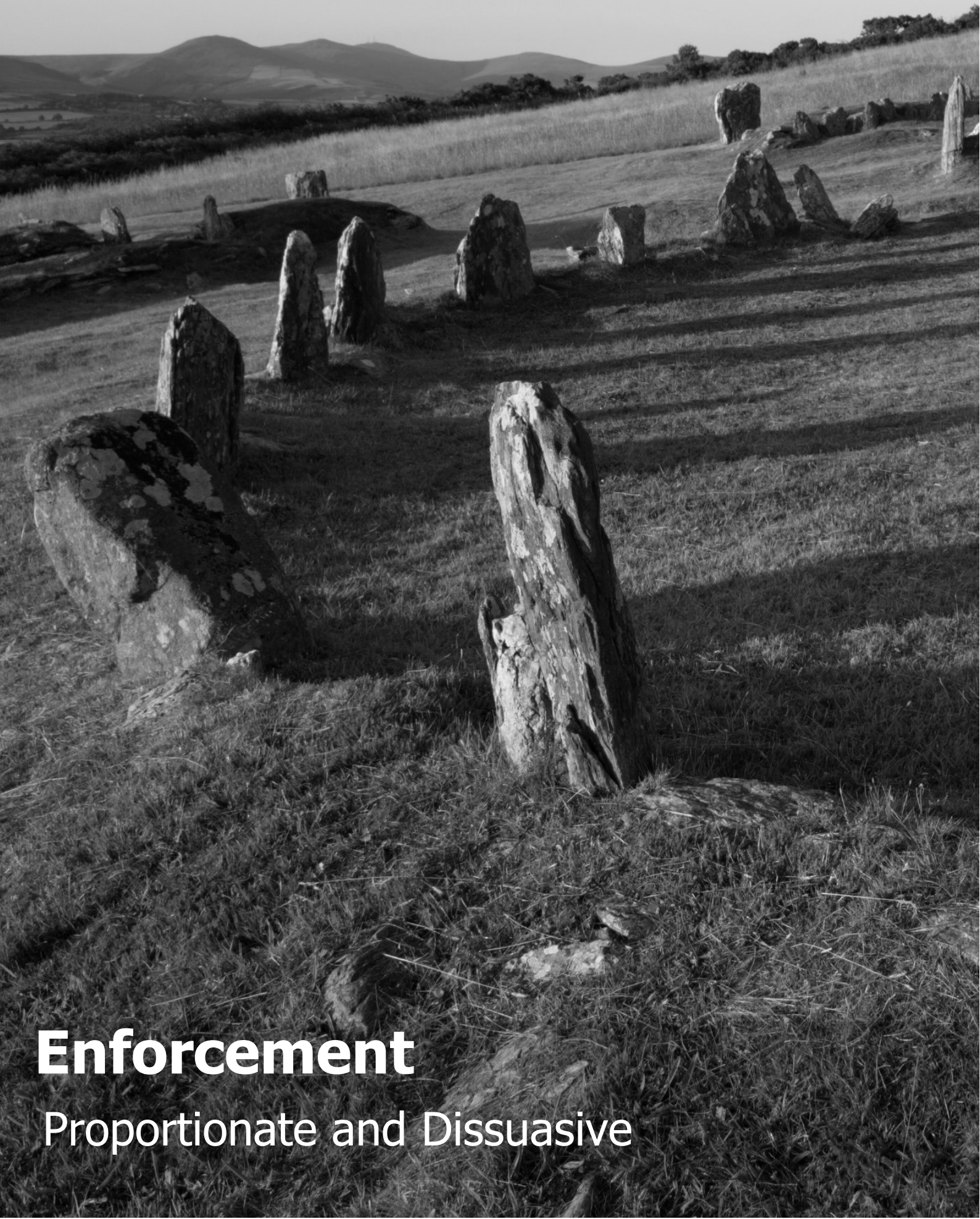
Operators implement various controls and policies to ensure responsible gambling.

The GSC will use the findings of the RG Survey to make necessary adjustments to the current responsible gambling policies and consider improvements on how requirements and related guidance are communicated to licensees and the public. The goal is for licensees and the public to have access to clear information and guidance, resulting in improved understanding of regulatory requirements.

The GSC is committed to ensuring that the interventions that are specified in regulations are evidence-led and intends to use the results of the survey to inform future legislative changes. As requirements evolve with emerging changes, it is crucial that licensees fully understand their responsibilities to ensure compliance at the earliest opportunity.

Operator contributions: 2023-2024		
Isle of Man	Non- Isle of Man	Total
£237,047	£668,844	£905,891





# Enforcement

Proportionate and Dissuasive

# Enforcement

During the period under review, the GSC established a dedicated enforcement team in line with its aim to strengthen AML/CFT controls. Recruiting an experienced headcount, and the creation of a standalone dedicated team has facilitated the building of a comprehensive framework. The team and framework will ensure that, whenever necessary, the GSC is in a position to act promptly and robustly to identify non-compliance.

The establishment of a dedicated enforcement team has not necessitated the introduction of any new legislation but is simply a response, by the Commission, to the continuing growth and development of the sector and the emerging risks.

In undertaking its enforcement activities the GSC has undertaken and committed to being transparent in its approach. A range of related policies can be viewed on a dedicated page on the GSC website.

The updated enforcement policies form part of the GSC's collective regulatory framework.

As the industry grows and evolves so too does the GSCs commitment to providing a modern framework that represents current regulatory practice amongst its peers.

As part of the AML/CFT Act (2018), the GSC has available various powers of enforcement.

## These powers consist of:

- Powers to restrict (s.16)
- Licence conditions (s.17)
- Directions (s.18)
- Public statements (s.19)
- Injunctions and remedial orders (s.21)
- Civil penalties (s.22)
- Warning Notice (s.23)
- Direction to appoint an appropriate expert
- Directions/Prohibitions (s.24 – s.29)
- Licence suspension or revocation (s.30)

The GSC's approach is not enforcement led, while enforcement powers are an essential tool the Commission places equal emphasis on remediation and fostering a culture of good compliance within the sector. Regulatory action will be exercised judiciously and consideration given to the broader impact. The GSC is committed to supporting operators to address deficiencies proactively, promoting sustainable compliance.





# **Internal Governance**

## Co-operation and Assurance

# Commission Appointments

Appointments to the Board of Commissioners are made by the Treasury subject to the approval of Tynwald. Treasury will appoint one member of the Commission to be the Chairperson and another, the Deputy Chairperson. When making appointments Treasury must ensure that at least one member of the Commission is an advocate, barrister or solicitor of at least five years' standing, one member has experience of online business and one member has experience of gambling business.

A member of the Commission is appointed for a five year term and is eligible for reappointment on conclusion of that term.

## Commission Meetings

The Board of the Commission meet on a monthly basis. In certain circumstances additional Board meetings are convened. For a meeting to be quorate a minimum of 3 Commissioners with one being either the Chairperson or Deputy Chairperson is required.

Commission membership for the 2023/24 year		
Position	Member	Expertise
Chair	Jon Allen	Technology & Commerce
Deputy chair	David Butterworth	Information Technology
Member	Giles Day	Risk Management/Compliance & Cannabis Industry
Member	Greg Petts	Audit
Member	David Reynolds	Legal

# Promoting Transparency

## Acquisition of an IT Solution

The GSC continues to enhance the functionality of the ATLAS system, developed in collaboration with the FSA. This system is being deployed through a phased modular approach, with each module introducing new capabilities to better support to regulatory operations.

Throughout the year, significant progress has been made on integrating ATLAS with a document management system, with completion targeted for Q1 2025. This integration will streamline document handling and improve data accessibility across regulatory processes.

Over the next 18 months, the primary focus will be migrating the ATLAS system from its current on-premise environment to a cloud-based platform. This transition is essential to maintain uninterrupted support, as Microsoft will end support for our existing on-premise CRM in January 2026. Moving to the cloud will also enhance system scalability, security, and accessibility.

Crucially, these developments are driven by the need for consistent and reliable data to underpin effective regulatory supervision. By ensuring data integrity and seamless information flow, the ATLAS system will enable more timely insights, strengthen compliance monitoring, and support informed decision-making across the regulatory framework.

## Whistleblowing

The GSC has a duty to protect its staff when they make disclosures as whistleblowers. The GSC also acts as a point of contact for industry whistleblowers wishing to make public interest disclosures under S54 of the Employment Act 2006.

Instances of whistleblowing for the 2023/24 year	
Number of instances recorded	Nature of the disclosures
0	n/a

## Freedom of Information requests

The GSC is subject to the Freedom of Information Act, which creates a mechanism for members of the public in the Isle of Man to request information held by the GSC.

Freedom of information requests for the 2023/24 year	
Information requested	GSC's response
None	n/a

## Consultation

Engaging with stakeholders through consultation when considering changes to the regulatory framework is paramount. There have been no legislative consultations carried out in the reporting period however legislative changes are currently being drafted in anticipation of consulting during the next reporting year. A stakeholder consultation on AML/CFT guidance was carried out during 2023/24 resulting in updates to the following-

- AML/CFT Guidance for Operators
- AML/CFT Guidance for Software Suppliers
- AML/CFT Guidance for Virtual Assets/ Goods



# Integrity and Fairness

## Complaints against the GSC

Complaints about the GSC's inspectorate can be made to the Board and the GSC is subject to the Isle of Man's doleance procedure. This section does not include appeals against the GSC's licensing decisions or complaints made to the GSC about operators. Neither does it detail GDPR-related appeals.

Public Service Integrity Line reports 2023/24 year		
Submission number	Matters contained in the submission	Outcomes
n/a	None	None

## Appeals against GSC decisions

A substantial part of the GSC's role is to make decisions on licence applications and renewals, to make determinations about the fitness and propriety of individuals and to conduct investigations with tangible implications for operators. Isle of Man legislation provides several mechanisms by which GSC decisions can be appealed.

Appeals made against decisions of the GSC for the 2023/24 year		
Open appeals at the start of the year	New appeals received during the reporting year	Unresolved appeals at the end of the year
0	0	0
Appeal outcomes for the 2023/24 year		
Appeals resolved in favour of GSC	0	
Appeals resolved in favour of the appellant	0	
Appeals withdrawn by the appellant	0	

General complaints against the GSC for the 2023/24 year		
Open complaints at the start of the reporting year	New complaints received during the reporting year*	Open complaints at the end of the year
0	0	0
General complaint outcomes for the 2022/23 year		
Complaints resolved in favour of GSC	0	
Complaints resolved in favour of the appellant	0	

\*Excluding submissions to the Public Service Integrity Line that materialise to be complaints against the GSC (see "Matters arising from the Public Service Integrity Line" instead.)

## Matters arising from the Public Service Integrity Line

The Isle of Man Public Service Integrity Line provides a confidential way to report any major wrongdoings involving the Isle of Man Public Service. The aim of the Integrity Line is to provide an easy process where employees can report instances of wrongdoing, anonymously if needed.

The line is available to all employees, workers and contractors in all Departments, Boards and Offices of the Isle of Man Government.

No submissions were made using the Public Service Integrity Line.

## Bribery and Corruption

The GSC operates an anti-bribery and anti-corruption policy, and records instances of reports under the Bribery Act 2013.

Instances of bribery/corruption reporting 2023/24 year	
Number of instances recorded	Disposal of reports
0	N/a



# Appendices

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# **Appendix 1**

## Financials



# Appendix One - Financials

This year marks our second year of using the revised expenditure format, which aligns with the expenditure codes in the Government's finance system. This approach continues to simplify the reporting process and provides greater transparency regarding our budget allocation.

Income and Expenditure breakdown for the 2023/24 year	
Income categories	
Gaming Betting & Lotteries Act fees <sup>1</sup>	1,675
Gaming Amendment Act fees <sup>2</sup>	23,733
Online Gambling Regulation Act fees <sup>3</sup>	3,929,068
Casino Act fees <sup>4</sup>	68,068
<b>Total Income</b>	<b>4,022,544</b>
Expenditure categories	
Employee Costs / Salaries <sup>5</sup>	(2,804,567)
Infrastructure Expenses <sup>6</sup>	(118,719)
Supplies and Services <sup>7</sup>	(572,661)
<b>Total Expenditure</b>	<b>(3,495,947)</b>
<b>Balance</b>	<b>526,597</b>

## Notes to the Table

\*The fees in relation to online licences and medicinal cannabis licences were subject to a 5% uplift in the 2023/24 budget process.

**1 Gaming, Betting and Lotteries Act** 1988 revenue consists mainly of the fees paid by licensees in order to operate as a bookmaker, but also includes society lottery registration fees.

The cost of a licence to operate a licensed betting office is split into two parts: a permit and a certificate. A permit allows a bookmaker to operate as many betting offices as it wishes. Each betting office is then separately certified.

A permit costs £700 to obtain and £100 to renew. Certificates for betting offices cost an additional £100 for each betting office the bookmaker operates.

**2 Gaming Amendment Act** revenue consists of the duty paid by machine suppliers and any admin fees for machine movements or changes in designated officials for the premises.

**3 Online Gambling Regulation Act** 2001 revenue consists of the costs of online licence fees. These vary in cost depending on the privileges that attach to the licence.

A standard licence and a software supplier licence cost £36,750 per annum and allow an operator to offer online gambling to any markets where legal advice demonstrates it is not unlawful. Standard licences allow a significant degree of business flexibility and operators can engage with multiple business partners.

A sub-licence costs £5,250 per annum. Such licensees must use the games supplied by a standard or network licence holder in the Isle of Man.

A network services licence costs £52,500 per annum and allows operators to offer services to non-Isle of Man operators' players. A token-based software supplier licence costs £52,500 per annum and permits an operator to use a purpose-created cryptocurrency token in a gaming ecosystem, which is used by players, game designers, affiliates and operators.

**4 Casino Act fees** relate primarily to the fees payable to hold a Casino Licence but also include administration fees payable for the costs associated with Casino staff certification.

**5 Employee Costs** relate primarily to salaries and other expenses for employees of the GSC according to the following schedules:

GSC employee costs for the 2023/24 year	
Wages and Salaries (Inc. ITIP & NI)	2,717,529
Transport and Subsistence	18,733
Training	68,305

GSC employee salaries for the 2023/24 year	
Pay range	Number of employees
<£99,999	41
£100,000-199,999	3
£200,000+	0

## 6 Infrastructure Expenses

Last year, the GSC had to pay additional rent due to an increase in staff numbers and the need for extra office space, which was not initially budgeted for. This additional rent was a new expense in the previous year but has now been incorporated into our budget process. Moving forward, the GSC will manage this expense as part of its annual budget. The combined accommodation at the GSC is now suitable for the staff complement necessary to supervise between 90 and 140 licensees. The amount spent in 2023/24 is £118,719 and this includes Rent, Service Charges, Rates & Car Parking.

## 7 Supplies and Services

GSC supplies and services costs for the 2023/24 year	
Materials	393
Printing, Stationery and General Office Expenses	15,014
Advertising, Publicity and Marketing	1,050
Services <sup>7.1</sup>	256,181
Communications and Computing	222,786
General Expenses <sup>7.2</sup>	77,237

**7.1 Services** include fees paid to lawyers, accountants, data subscription services and expert advisors (including investigative agencies as part of the due diligence the GSC exercises over applicants).

**7.2 General expenses** includes the following costs:

GSC general expense for the 2023/24 year	
Committee expenses <sup>7.3</sup>	71,025
Hospitality	1,978
Licences	1,524
Miscellaneous	2,710

**7.3 Committee expenses** allow for each Commission member to be paid an annual honorarium with the chair of the Commission receiving an enhanced payment.

## Transfer Payments.

This year, there are no transfer payments to report for the GSC. During this reporting period, we have not conducted any financial transfers between departments or external entities that would necessitate recording a transfer payment.

GSC transfer payments the 2023/24 year	
Payments In	0
Payments Out	0



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# **Appendix 2**

## Legislation

# Appendix Two - Legislation

## Pool Betting (Isle of Man) Act 1961

Legalised Pool betting and imposed a pool betting duty - Treasury responsibility.

## Pool Betting (Isle of Man) Act 1965

Amended the way that Pools betting duty is calculated – Treasury responsibility.

## Pool Betting (Isle of Man) Act 1970

Treasury responsibility prescribes matters relating to the recovery of Pools duty.

## Betting Act 1970

Prescribes the general betting duty for different types of betting - Treasury responsibility.

## Gaming (Amendment) Act 1984

The Gaming (Amendment) Act 1984 controls the keeping for use and the sale and supply of certain amusement machines.

### **Regulations made and in force under this Act:**

- Controlled Machines Regulations 1985
- Certification of Premises (Application Fees) Order 2003
- Controlled Machines (Suppliers Licences) (Fees) Order 2003
- Controlled Machines (Exemption) Order 2008

## Casino Act 1986

The Casino Act makes provision for the Isle of Man to licence a maximum of 2 land based Casinos.

### **Regulations made and in force under this Act:**

- Casino (Licence Applications) Regulations 1986
  - Casino Regulations 2011
  - Casino (Temporary Premises) Regulations 2013
  - Casino (Amendment) Act 2018
- 

## Gaming, Betting and Lotteries Act 1988

### The Gaming, Betting and Lotteries Act 1988

- defines gaming, the restrictions on certain gaming and gaming exemptions under the Act.
- sets out general restrictions on betting and provides for Licensed Betting Offices.
- places restrictions on lotteries and prescribes conditions which allow for certain lotteries to be operated.

### **Regulations made and in force under this Act:**

- Bingo Nights (Prescribed Conditions) Regulations 2010
- Racing Nights (Prescribed Conditions) Regulations 2010
- Society Lottery Advertisements Regulations 2011

## Public Lotteries (Amendment) Act 1993

Treasury responsibility – to permit more than one public lottery in one year and to permit the sale of tickets or chances at any time of the year. In addition, it provides for the proceeds of the public lotteries to be paid to the Public Lottery Trust or such other charitable purposes as may be specified.

## Gaming, Betting and Lotteries (Amendment) Act 1996

Makes amendments to the main Act.

## National Lottery Act 1999

Treasury responsibility – to enable the application to the Island of the National Lottery Act 1993 and to amend legislation relating to lotteries.

## Gaming, Betting and Lotteries (Amendment) Act 2001

Makes amendments to the main Act.

## Betting Offices Act 2001

Amended the Gaming, Betting and Lotteries Act 1988 to Licensed Betting Offices



## Online Gambling Regulation Act 2001

The Online Gambling Regulation Act 2001 (OGRA) was introduced to provide for the regulation of certain forms of gambling carried on by means of telecommunications.

- **Regulations made and in force under this Act:**
- Online Gambling (Advertising) Regulations 2007
- Online Gambling (Prescribed Descriptions) Regulations 2007
- Online Gambling (Systems Verification) (No.2) Regulations 2007
- Online Gambling (Transitional Arrangements) Regulations 2007
- Online Gambling (Betting and Miscellaneous Provisions) Regulations 2007
- Online Gambling (Disaster Recovery) (No.2) Regulations 2007
- Online Gambling Duty Regulations 2008
- Online Gambling (Registration and Accounts) Regulations 2008
- Online Gambling (Licence Fees) Regulations 2009
- Online Gambling (Exclusions) Regulations 2010
- Online Gambling (Participants' Money) Regulations 2010
- Online Gambling (Network Services) Regulations 2011
- Online Gambling (Registration and Accounts) (Amendment) Regulations 2014
- Online Gambling (Exclusions) (Amendment) Regulations 2014
- Online Gambling (Participants' Money) (Amendment) Regulations 2010
- Online Gambling (Software Supplier Licensing) Regulations 2019

## The Gambling (Amendment) Act 2006

- outlines the licensing objectives.
- renames the Gambling Supervision Commission and restates its constitution.
- provides for an appeals Tribunal.
- amends other Gambling Acts.

## Gambling Supervision Act 2010

The Gambling Supervision Act 2010 makes further provisions:

- for the status, consultation and functions of the Gambling Supervision Commission.
- concerning appeals from the Commission.
- to amend the Online Gambling Regulation Act 2001

### **Regulations made and in force under this Act:**

- Gambling Supervision (Permitted Disclosures) Order 2010

## Anti-Money Laundering Code

The Gambling (Anti-Money Laundering and Countering the Financing of Terrorism) Code 2019 imposes requirements on online gambling businesses, bookmakers and the casino in line with the Financial Action Task Force's 40 Recommendations as applicable to DNFBPs (Designated Non-Financial Businesses and Professions).

## Gambling (Anti-Money Laundering and Countering the Financing of Terrorism) Act 2018

The Gambling (AML/CFT) Act provides the GSC with the necessary powers to conduct regulatory oversight of the gambling sector's compliance with Anti-Money Laundering and Countering the Financing of Terrorism legislation and provides a broad range of proportionate and dissuasive sanctions for non-compliance.

## Gambling (Anti-Money Laundering and Countering the Financing of Terrorism) Civil Penalties Order 2018

This Order prescribes the notice period for a civil penalty under section 22 of the Gambling (AML/CFT) Act 2018 and requires payment within a further 28 days. It also provides that an operator may respond to a notice by providing details of mitigating factors to be considered when the amount of the penalty is determined by the Commission.

## Medicinal Cannabis Legislation

The worldwide control of narcotics is a United Nations function. Recognising the risks from addiction while at the same time recognising the benefits of narcotics in medicine, the United Nations Single Convention on Narcotics from 1961 invites all countries to become signatories and adopt the convention's requirements for drug control into their statute.

The law that controls drug production in the Isle of Man uses UK law as its basis. This type of law is called 'applied' law. Typically, applied law states that the law of the UK or Europe applies, subject to modifications that apply Isle of Man terms and minor changes.

### Transfer of Functions (Cannabis) Order 2020

The Department for Health and Social Security has the legislative power to control drugs (for example, heroin substitutes, anaesthetics used in surgery, etc.)

The GSC acquires the Department's powers in respect of cannabis only. The DHSC however does retain control for medicines, including cannabis based products for medicinal use in humans. The DHSC has a separate licensing system to control quality.

### Misuse of Drugs Act 1976

This act requires drugs to be controlled so that they cannot be misused. Misuse means used in any way other than as a medicine or in research. This law permits the licensing of drug import/export, production, supply and possession. The law is inspired by the requirements of the United Nations' Single Convention of Narcotics.

### The Misuse of Drugs Regulations 2001 (SI 20001/3998)

These are the UK regulations that specify the details for the control of drugs. Built around a series of technical schedules that list the chemicals that are to be considered controlled drugs and/or medicines, they are not restricted to cannabis, but do include it as a scheduled substance.

### The Misuse of Drugs (Miscellaneous Enactments) (Application) Order 2013

These complicated regulations apply the UK Misuse of Drugs Regulations 2001 as if they were Isle of Man law. For the most part, the agencies to which the regulations apply in the UK are changed to their Isle of Man equivalents. These regulations were also modified by the Transfer of Functions Order 2020 to recognise the GSC as a competent authority.

### The Misuse of Drugs (Cannabis) Regulations 2020

These regulations are the first regulations made by the GSC under the powers conferred by the Transfer of Functions Order. They state that no offence with respect to cannabis is committed if a licence issued by the GSC is obtained. The fees for the various horticultural/industrial processes used in the sector are set out.



# **Appendix 3**

## Outreach and Training



# Outreach and Collaboration

The GSC's membership in European and International regulatory associations remains important for building and developing relationships with fellow regulators. It is important to share knowledge and understanding of regulatory developments.

The GSC is often called upon to share its knowledge and expertise in a specific field or regulation more broadly. During the period the GSC worked closely with its regulatory counterparts, including the Seychelles and Australia. Information on the GSC's supervisory framework was shared in order to assist with ongoing projects to update their own frameworks.

## Guidance and Working Groups

The GSC works in collaboration with other competent authorities to organise working groups at a sectoral and national level. The working groups met 8 times during this period.

Amongst others, the main action of the working groups in 2023 - 2024 was to work with the GSC to amend AML guidance documentation through a series of

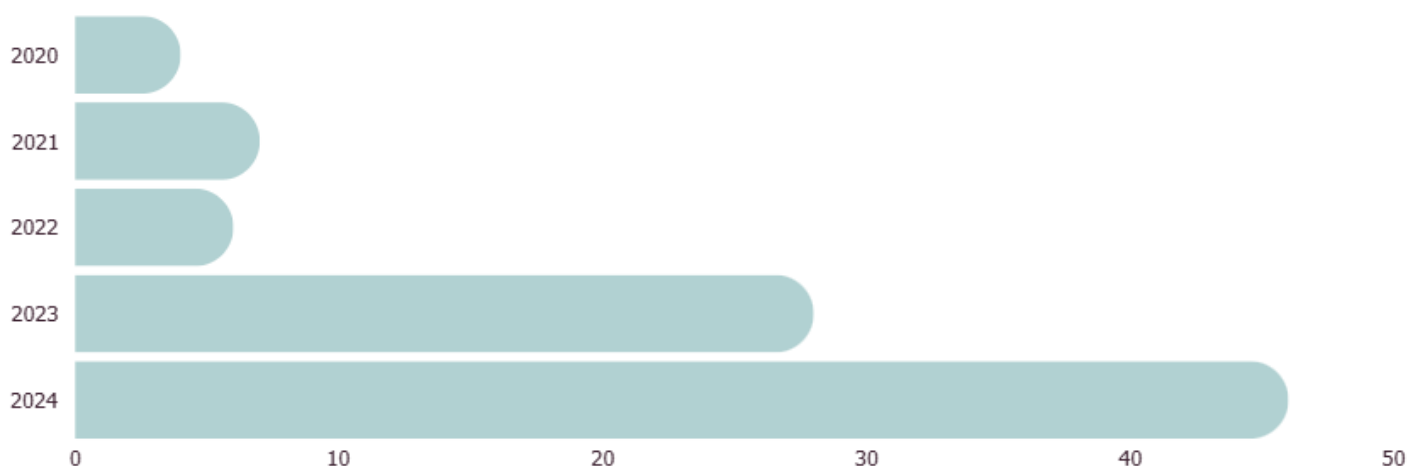
workshops. Revisions to guidance documents come following consultation workshops conducted by the GSC with the industry during this period alongside internal review.

### Topics requested by working groups included:

- More clarification of processes including links to related legislation and case studies
- Definitions of key terms added
- Terminology updated to mirror industry standard
- Greater information on topics requested by industry professionals following consultation such as inspection processes and key terminology

These requests were collected, reviewed and included in the revised guidance documents during the period.

AML/CFT Outreach provided



# Training

The GSC facilitates both internal and external training programs and provides annual refresher AML/CFT training for all staff. During the reporting period, every member of the GSC team participated in internal training sessions conducted by the GSC and all new starters underwent induction training, including AML/CFT. Staff members are also given the opportunity to pursue various professional and specialised training courses after mandatory training is completed.

## Standard AML Training, 2023 - 2024

AML/CFT Refresher Training
Applications Process Training
Introduction to Quarterly Returns Analysis
Introduction to AML/CFT Inspections (Network and Software)
Enforcement Strategy Overview
Player Protection Mechanisms
ICA Certificate in ML Risks in Gambling

## Other (Non-AML) Training, 2023 - 2024

ATLAS Training (Various)
Data Protection Training
General Supervision Inspections

## Specific AML CPD, 2023 - 2024

European Financial Crime Conference - AMLP Masterclass in AML
FATF Risk Assessment Curriculum
FATF Risk-Based Supervision
FATF Standards Methodology and Procedures
FIU Gibraltar - Proliferation & Proliferation Financing Awareness
FinCen - Counter Ransomware Initiative: OSINT Tools for Investigations
ICA Certificate in Collaboration, Compliance and Combating Identity Fraud
ICA Certificate in KYC and CDD
ICA Certificate in Managing Sanctions and Geopolitical Risk
ICA Specialist Certificate in ML Risk in Betting and Gambling
Chainalysis - Compliance, Market Integrity and Consumer Protection in Crypto
ECOFEL - Virtual Asset Forensics
Elliptic - Emerging Crypto Crime Typologies and How to Uncover Them
ORWL Avocats - Crypto Asset Regulations UK Vs MICA
TRM Labs - Advanced Crypto Compliance Specialist
TRM Labs - Advanced Crypto Investigator
TRM Labs - Certificate of Excellence (TRM-ACE)
TRM Labs - Crypto Fundamentals Certificate (TRM-CFC)
University of Limerick - Anti-FinTer Training Programme

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