



Isle of Man

COUNTERING FINANCIAL CRIME

An all-Island approach

# National Statement on eGaming and Financial Crime

## Activities, Risk Appetite and Mitigation

23 May 2025





# Contents

---

01 Purpose of this Document	3
02 Background – The Isle of Man’s eGaming Industry	5
03 The Isle of Man’s Framework for Risk Mitigation	6
04 Managing Financial Crime Risks	7
05 ML/TF/PF Risk Factors present in the eGaming sector	9

---



# 01 Purpose of this Document

The Isle of Man continues to invest in its supervisory, investigation and enforcement capabilities to strengthen its framework against the risks of money laundering, terrorist financing and proliferation financing (ML/TF/PF). The collaborative work undertaken by the public and private sectors in updating the National Risk Assessment, due for publication throughout 2025, is fundamental in the Island’s fight against financial crime.

Given the exposure of the Island to identified global threats, the purpose of this Statement is to give clarity on the national risk appetite within the eGaming sector as well as any other business sectors that may have activity linked to eGaming. A second National Statement fully addressing and incorporating the wider business sectors, not only those with links to eGaming activity (although it will provide an update on this Statement), will be published later in 2025 and will further enhance the Island’s risk mitigation framework.

The maturity of the Isle of Man’s eGaming environment and its supportive infrastructure has led to an increase in eGaming licences over the longer term and subsequent job creation within the related sectors is a crucial component of the Island’s economy. The sector has evidenced resilience and adaptability even during global economic challenges. The Island has been successful in developing this fast-moving industry into a significant contributor to its economy, with identified risks being mitigated by the appropriate authorities.

This Risk Appetite Statement applies not only to those applying for, or holding, a licence in the eGaming sector from the Gambling Supervision Commission (GSC), but also seeks to inform the provision of services associated with eGaming within the Island’s broader business sectors. All members of the Isle of Man’s business industry, regardless of licensing or registration status, must consider this Statement as well as the wider National Risk Appetite Statement that will be published in due course.



In addition, activities and jurisdictions outlined in the [FIU typologies document](#) published separately by the Financial Intelligence Unit (FIU) must be taken into account. These documents, as well as the National Risk Assessment, are all necessary to inform entities’ own risk appetite decisions, as well as their customer and business risk assessments and to ensure ongoing compliance with legislative requirements. >

## Call to Action

Given the information that is publicly available concerning typologies and threats, the Isle of Man currently has limited appetite for business in the eGaming sector where there is ownership and/or control from East or Southeast Asia.

Where there is an accumulation of higher risk factors there is an extremely limited appetite within the regulators to grant a licence.

If there is an accumulation of risk factors present within the same relationship, such as those risks present in the aforementioned [FIU typologies document](#) and the listed higher risk factor table in this Statement, the below action must be taken.

- Regulators will not authorise new business, and will review the terms of any existing licences, on the basis of this being outside of the national risk appetite for the Isle of Man.

- For new business, all Isle of Man entities must consider identified risk factors and ought not enter into new relationships where there is an accumulation of higher level risks present that cannot be mitigated.
- In respect of existing business, this Statement is considered to be a trigger event and therefore must be immediately considered as part of the internal policies and procedures on the entities' customer risk assessments and the appropriate action and/or mitigation measures applied. The entities' business risk assessment should also be updated in line with internal policies and procedures taking into account the content of this statement and the FIU typologies<sup>1</sup>.



the purpose of this Statement is to give clarity on the national risk appetite within the eGaming sector as well as any other business sectors that may have activity linked to eGaming.”

<sup>1</sup> The Regulators will review AML/CFT/CPF Guidance in line with this statement to provide further details regarding these expected actions where necessary.



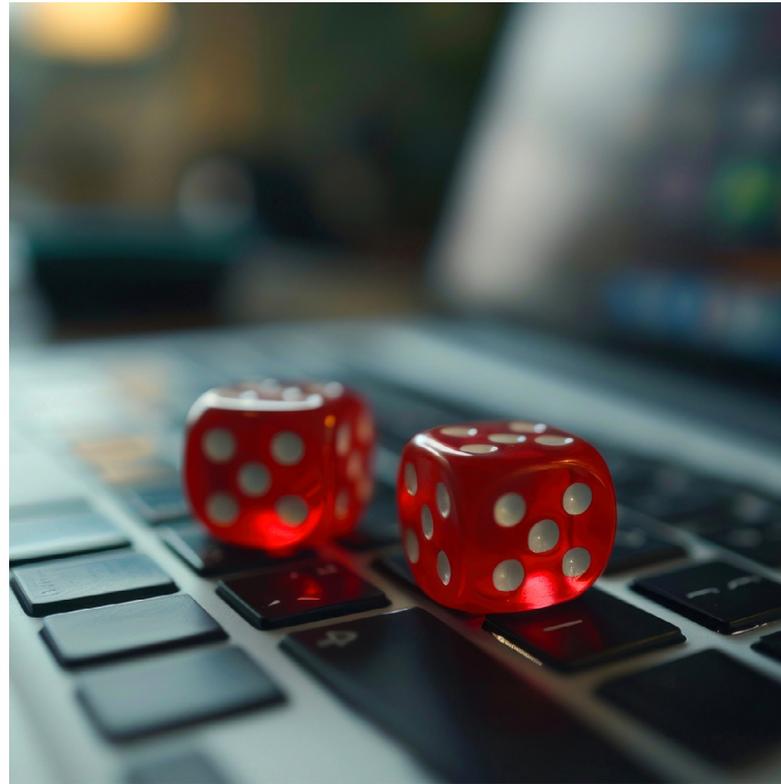
# 02 Background – The Isle of Man’s eGaming Industry

The Isle’s reputation as a stable, lower-tax economy with robust digital infrastructure has attracted eGaming businesses for almost 25 years. The sector’s growth began in earnest in 2001 with the enactment of the Online Gambling Regulation Act 2001, positioning the Isle of Man as a leading regulatory jurisdiction in an industry that was unregulated in many countries worldwide.

The eGaming sector is an important and significant contributor to the Isle of Man’s economy, currently accounting for approximately 16% of the Island’s GDP. This sector has been steadily growing over the long term, with an increase in eGaming licences (in particular ancillary services) over the past five years. The industry also directly supports over 1,000 jobs on the Island. Given the interlinked relationship between both the financial and Designated Non-Financial Businesses and Professions (DNFBP) sectors, the economic benefits of this industry spans further than the job creation within eGaming.

All GSC licence holders are supervised for AML/CFT in line with international standards, and where standards do not extend to other gambling business (for non-casino businesses), the GSC still applies AML/CFT controls. The current population of GSC licences, by type, is broken down as follows:

<b>Full Licence</b>	<b>35%</b>
<b>Software Supply</b>	<b>49%</b>
<b>Network Services</b>	<b>16%</b>
<b>Sub-Licence</b>	<b>0%</b>



Over the past five years, the number of licensees has grown which has been driven by the increase in software supply licences issued since the Online Gambling Software Supply Regulations 2019 were implemented. The issuance of full licences has seen a minimal increase over the last few years whilst the other types have experienced a smaller but steady approval of licences.

Development of a new eGaming Strategy is underway, led by Digital Isle of Man in collaboration with industry, informed by this risk appetite statement, which will mark a renewed programme of work to drive growth, adapt to market changes and reinforce the Isle’s reputation as a destination for legitimate and high quality eGaming businesses. ■

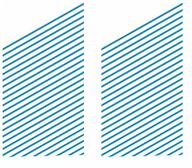
# 03 The Isle of Man's Framework for Risk Mitigation

As an International Finance Centre, it is imperative that our industry, agencies and wider stakeholders understand the national ML/TF/PF risks that the Island is exposed to, and robust measures are put in place to mitigate those identified risks.

The Island is currently undertaking its third iteration of the National Risk Assessment (the precursors to which were published in 2015 and 2020), as part of the broader [Financial Crime Strategy – 2024-2026](#). The National Risk Assessment and the understanding of ML/TF/PF risks have been key national objectives within each of the Island's Financial Crime Strategies that have been published since 2017.

Given that data is increasingly more available and useful than ever before, this National Risk Assessment will be more comprehensive, focused and responsive to the risks. Publication of the varying components will be completed throughout 2025 and will provide our stakeholders a solid understanding of identified risks, vulnerabilities and mitigations across ML/TF/PF related topics and across all sectors.

This document is the first public National Risk Appetite Statement to be issued on a targeted set of risks in a specific sector, building upon the observed typologies and the evolving threat picture. Over the course of 2025, the Isle of Man Government will adopt a full National Risk Appetite, which will include a range of statements across all business areas. This is part of a continuing drive by the Isle of Man to evolve and document its risk management framework. ■



Given that data is increasingly more available and useful than ever before, this National Risk Assessment will be more comprehensive, focused and responsive to the risks.”



# 04

# Managing Financial Crime Risks

The Financial Action Task Force (FATF) has developed and revised 40 Recommendations (the “Recommendations”) which ensure a coordinated global response to counter organised crime, corruption, terrorism, and proliferation financing and more than 200 countries and jurisdictions, including the Isle of Man, are committed to implementing the Recommendations.

The Isle of Man, through the Chief Minister and Council of Ministers, has made a commitment to implement, in full, the revised FATF Recommendations in the national interest and to support the international efforts to combat ML/TF/PF. This is delivered through the Financial Crime Strategic Board (the most senior national committee responsible for combatting financial crime) alongside political leadership on AML/CFT/CPF coming from the Minister for the Department of Home Affairs.

As part of this commitment, in 2024 the Isle of Man published its latest Financial Crime Strategy 2024 – 2026, outlining effective mechanisms which support the implementation of risk assessment findings and services as a permanent platform for cooperation and coordination at both policymaking and operational levels between the relevant competent authorities. The Financial Crime Strategy 2024-2026 highlights the Island’s mission statement is an all-Island approach to tackling financial crime.

Collaborative working both within the public and private sectors is crucial to this approach and is evidenced as part of our Public Private Partnerships (Isle of Man Financial Crime Partnership), Advisory Groups, NRA working groups and outreach events.

### The Core Values of the Financial Crime Strategy are:

- Maintaining the Island’s leading position on financial crime prevention with a hostile environment to criminals.
- Ensuring Financial Crime Legislation and regulation is fit-for-purpose.
- Acting as an effective communication and coordination platform across competent authorities.
- Increasing understanding across both competent authorities and industry of current and emerging financial crime risks and facilitating a coordinated response.
- Considering, implementing, and monitoring all international standards to ensure Isle of Man continues to play its part in the global fight.



## THE CURRENT APPETITE AS TO EGAMING LICENCES IN THE ISLE OF MAN

The Isle of Man recognises that, in common with other jurisdictions, its online gaming and gambling platforms may be targeted by an evolving and increasingly complex and sophisticated criminal landscape in East and Southeast Asia<sup>2</sup>. That landscape has extended outside of East and Southeast Asia, impacting countries worldwide and there has become a need for increasing vigilance when conducting business linked to this region. Sources available to the domestic authorities indicate that the Isle of Man has been subject to infiltration by criminals bypassing the Island's controls against financial crime.

The Isle of Man takes illicit actions by transnational organised criminals to exploit the Island's business environment and immigration regime extremely seriously. As part of a robust national response, the Island is setting a more restrictive risk appetite, when certain risk factors are present, in respect of licences across all sectors in order to continue to protect against abuse by criminals.

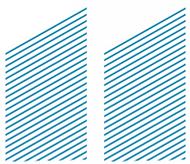
This will assist both private sector business and the Isle of Man authorities in applying a consistent approach to risk. Given the constantly evolving picture concerning risk in the eGaming sector and all sectors linked to eGaming activity, this statement will be reviewed as part of the wider National Risk Appetite Statement, and in line with events such as reports, issued sanctions, emerging trends and typologies. Any updates will form part of the wider National Risk Appetite Statement, which will be published later in 2025.

The Island's AML/CFT/CPF regime is designed to prevent, detect and disrupt criminal activity effectively. As the Island's authorities and industry act to target bad actors and to tighten controls against the exploitation of our national vulnerabilities, there will be information and cases presented in the public domain. The industry and wider audiences are encouraged to note that this demonstrates that the system is preventing, detecting and disrupting potential criminal activity as intended.

The GSC has been reviewing and enhancing the way it licences and supervises the sector following intelligence gathered from both open and closed sources, including reports issued by the United Nations Office on Drugs and Crime (UNODC) in 2024 and April 2025, which highlight jurisdictional areas of concern with relevant emerging typologies.

While this statement has been published in full consultation with all relevant authorities, it is important to note that the licence application regime and the granting of a licence remains at the independent discretion of the GSC.

The GSC will continue to consider other typologies, activities or jurisdictions which have been identified as a threat as part of its internal risk appetite on a case-by-case basis. Where applications are made when prospective eGaming businesses have material connections to those areas of identified risk, any application for a licence will be subject to proportionate enhanced measures, this is also the case for any other activities or jurisdictions outside of those outlined in this statement. ■



As part of a robust national response, the Island is setting a more restrictive risk appetite, when certain risk factors are present, in respect of licences across all sectors in order to continue to protect against abuse by criminals.”

<sup>2</sup> As per UNODC report (April 2025): Inflection Point: Global Implications of Scam Centres, Underground Banking and Illicit Online Marketplaces in Southeast Asia  
UNODC report (Oct 2024): Transnational Organized Crime and the Convergence of Cyber-Enabled Fraud, Underground Banking and Technological Innovation in Southeast Asia: A Shifting Threat Landscape

UNODC report (Jan 2024): [https://www.unodc.org/roseap/uploads/documents/Publications/2024/Casino\\_Underground\\_Banking\\_Report\\_2024.pdf](https://www.unodc.org/roseap/uploads/documents/Publications/2024/Casino_Underground_Banking_Report_2024.pdf) Casinos, Money Laundering, Underground Banking, and Transnational Organized Crime in East and Southeast Asia: A Hidden and Accelerating Threat

RUSI (Jan 2024): Trafficking into Forced Criminality: the Rise of Scam Centres in Southeast Asia



# 05 ML/TF/PF Risk Factors present in the eGaming sector

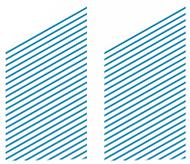
The following table outlines the main categories of ML/TF/PF risks in the sector as activities, products, and jurisdictions, and the risk factors can be rated as low, medium or high.

These risks as well as the typologies issued separately by the FIU must be considered and suitable mitigation measures must be applied.

Entities on the Island are not prohibited from engaging in higher risk activities, products or jurisdictions, however, where entities do have higher risk exposure, they must implement enhanced measures and effectively manage the risks in line with their respective AML/CFT Code.

Where these risks, following a complete assessment, cannot be fully managed or mitigated, all entities ought not to enter into the business relationship, or, if already established, should look to unwind the existing relationship or commercial activity.

Where a suspicion of ML/TF/PF/sanctions breach is formed, whether by a member of industry or a Government authority, a disclosure under the appropriate legislation must be submitted to the FIU. In instances where a suspicion of ML/TF/PF/sanctions breach has not been formed, but there is information held that will assist the FIU in undertaking its general functions, a Section 24 Disclosure can be submitted to the FIU. ▶



Where entities do have higher risk exposure, they must implement enhanced measures and effectively manage the risks in line with their respective AML/CFT Code.”

<sup>3</sup> Please refer to the risk factor table as part of this Statement and the separate [FIU Typologies document](#).



ML/TF/PF Higher Risk Factors present in the eGaming sector

CALL TO ACTION

Given the information that is publicly available concerning typologies and threats, the Isle of Man currently has limited appetite for business in the eGaming sector where there is ownership and/or control from East or Southeast Asia.

Where there is an accumulation of higher risk factors there is an extremely limited appetite within the regulators to grant a licence.

If there is an accumulation of risk factors present within the same relationship, such as those risks present in the aforementioned [FIU typologies document](#) and the listed higher risk factor table in this Statement, the below action must be taken.

- Regulators will not authorise new business, and will review the terms of any existing licences, on the basis of this being outside of the national risk appetite for the Isle of Man.
- For new business, all Isle of Man entities must consider identified risk factors and ought not enter into new relationships where there is an accumulation of higher level risks present that cannot be mitigated.
- In respect of existing business, this Statement is considered to be a trigger event and therefore must be immediately incorporated into policies and procedures on the entities’ customer risk assessments and the appropriate action and/or mitigating measures applied. The entities’ business risk assessment should also be updated in line with internal policies and procedures taking into account the content of this statement and the FIU typologies.

Sectorial Risks	Structural Risks	Jurisdictional Risks – Operator
<p>eGaming has historically provided sophisticated technology and tracking at a player perspective to monitor behaviours and transaction limits at a customer level, helping to minimise the opportunities for high value money laundering.</p> <p>In recent years, there has been increasing intelligence and active cases that involve <b>Business to Business, and/or Software Licencing and supporting agencies</b> as part of regulated and non-regulated cases of interest.</p> <p><b>Business to Business</b> relationships represent a higher level of opportunity for larger flow of funds without direct customer evidence, and as such require higher levels of verification and ongoing monitoring as to Source of Wealth and Source of Funds.</p> <p><b>Software licencing</b> can also represent a higher level of risk through opportunities for large flows of funds in return for access to game platforms within a group structure and require higher levels of verification and monitoring as to validation of genuine source of funds and underlying transactions.</p>	<p>In any form of financial transactions, it is important to understand the context of, and the complexities of corporate structures which can be used for valid commercial purposes.</p> <p>Overly complex structures, or ones that allow a level of opaqueness as the underlying parties involved inherently carrier a <b>higher level of risk</b>.</p> <p>Due to the sectorial risks posed by eGaming, it is expected that Group structures will be fully assessed and validated as to the parties involved and the controls in place to mitigate ML/TF/PF risks.</p> <p><b>Cross Border structures</b> also carry a <b>higher level of risk</b>, especially when they contain structures from countries that FATF have designated as having deficiencies in their national approach to AML/CFT.</p> <p>Structures that have <b>multiple different firms providing management services</b> (such as nominee directors, separate MLRO and banking activities) carry <b>higher risks</b> when it comes to ML/TF/PF mitigations.</p>	<p>Although eGaming has been a Regulated activity on the Isle of Man for almost 25 years, it is still globally a relatively new sector, evolving constantly.</p> <p>As more and more jurisdictions bring forward domestic regulations, there are opportunities for bad actors to look to other territories to continue to operate below the global radar of ML/TF/PF mitigations.</p> <p>There is significant international commentary and research surrounding the rise of operators in the East and Southeast Asia Region, and countries known as the “<b>Golden Triangle</b>” and the utilisation of eGaming businesses by <b>Organised Criminal Groups (OCGs)</b>.</p> <p>OCGs also looking to “legitimise” their operations may also seek to expand into new regions and establish new eGaming and gambling operations.</p> <p>Operators who have a nexus of <b>beneficial ownership</b> or historically have <b>beneficial owners from East and Southeast Asia region</b> or <b>Source of Wealth from this region</b> carry an inherently higher risk.</p> <p>Operators with limited or no experience in eGaming should also be a consideration.</p>