



GSC Draft Legislative Reforms Consultation

Questions and Answers Document

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What is the aim of the Reforms?

The primary aims of these reforms are to enhance and harmonise the GSC's existing regulatory powers across its legislative framework, and to ensure alignment with international standards. This includes strengthening entry controls and revising inspection and investigation powers to ensure a more consistent and effective approach to supervision.

In addition, a number of targeted amendments are being proposed on an Act-specific basis to address regulatory needs.

What is being updated?

In Summary, most of the reforms amend or enhance existing legislation to ensure that the GSC holds the necessary powers to undertake its role as a regulator effectively.

There are draft legislative reforms to the following [GSC Acts](#):

- Gambling (Anti-Money Laundering and Countering the Financing of Terrorism) Act 2018
- Gambling Supervision Act 2010
- Online Gambling Regulation Act 2001
- Casino Act 1986
- Gaming, Betting and Lotteries Act 1988
- The Gaming (Amendment) Act 1984

The amendments include:

- Enhanced entry controls (including the of standardised fitness and propriety criteria across relevant Gambling Acts for individuals occupying certain roles);
- Enhancements to and the standardisation of inspection and investigation powers across the relevant gambling Acts;
- A standardised power to issue directions in respect of entities that are licensed by the GSC; and
- The introduction of a civil penalty power which may be imposed against certain individuals within a licensed company for AML/CFT related failures.

Why are these reforms being put in place?

These reforms are intended to reinforce the GSC's ability to uphold high regulatory standards, which will deliver benefits to the gambling industry by bolstering the Island's reputation as a well-regulated and internationally credible jurisdiction.

The reforms are part of the GSC's on-going commitment to maintaining a modern regulatory framework that aligns with evolving international standards. They are essential to enhancing the effectiveness of the GSC as a regulator and to strengthen our collective efforts to counter financial crime domestically and internationally.

Who do these reforms affect?

The proposed reforms will affect anyone on the Island who requires a licence, permit, registration, or certificate from the GSC to operate their business. While the primary focus is on individuals and entities conducting online gambling under the Online Gambling Regulation Act 2001, the reforms also include amendments relevant to land-based (terrestrial) businesses regulated under the Casino Act 1986, the Betting, Gaming and Lotteries Act 1988, and the Gaming (Amendment) Act 1984.

Why has there been an introduction of civil penalties for individuals?

It is acknowledged that any proposed changes to the GSC's enforcement regime may raise concerns within the industry. However, the introduction of this provision is intended to align our framework with international standards, specifically [Financial Action Task Force](#) (FATF) Recommendation 35.

Recommendation 35 requires jurisdictions to have a range of proportionate and dissuasive sanctions that can be applied to both natural persons (individuals) and legal persons (entities) who fail to comply with AML/CFT obligations. Importantly, these sanctions must extend beyond regulated entities to include their directors and senior management.

The GSC already has a comprehensive suite of sanctions at its disposal, which can be applied to both natural persons (individuals) and legal persons (companies). However, it currently lacks the authority to impose civil penalties on individuals. To ensure full compliance with Recommendation 35, it is necessary to introduce this power into the regulatory toolkit.

The GSC is not an enforcement-led regulator. Enforcement action is considered only where appropriate and proportionate. Enforcement action is only one of a number of regulatory tools available to the GSC. Where an operator or individual demonstrates an acceptance and understanding of a failure to comply with regulatory requirements, and the breach does not

pose a serious or persistent risk to its regulatory objectives, the GSC may decide that a matter can be appropriately resolved by way of remediation.

What are the enhanced entry controls referred to and why are they being implemented?

Emerging typologies indicate that criminals are increasingly exploiting corporate structures to facilitate money laundering and other illicit activities. Recent reports by the [United Nations Office on Drugs and Crime](#) (UNODC) highlight emerging risks involving the co-mingling of illicit gambling proceeds with funds derived from cyber fraud and scam compounds. These proceeds are increasingly suspected of being funnelled through entities linked to the gambling sector. Furthermore, the [2025 EU Serious and Organised Crime Threat Assessment](#) (EU-SOCTA) highlights the continued exploitation of legal persons by criminal networks to conceal beneficial ownership and control structures.

In response to these evolving threats, the GSC is taking proactive steps to strengthen entry controls through legislative reform, policy updates, and enhancements to internal processes.

These legislative changes include:

- New definitions of 'associate', 'beneficial owners', 'controllers' and 'senior managers', providing the GSC with sufficient basis to ensure that all relevant individuals can be scrutinised before being appointed to such positions and on an on-going basis, and to the newly re-formulated standard of 'fit and proper';
- Legal basis for the Commission to consider the integrity of any person who is an associate of the company or an associate of any persons in key roles (directors, controllers, beneficial owners, and senior managers) under OGRA and the Casino Act;
- Legal basis for the Commission to consider the money laundering, terrorist financing or proliferation financing risk of an applicant when determining a licencing decision under OGRA and the Casino Act; and
- Wider information sharing abilities to broaden co-operation with other agencies.

These changes will complement the recently published [national risk appetite statement for online gaming](#) (NRAS) which has been established to inform Isle of Man businesses on their risk-based approach, keeping industry, service providers and other regulated business sectors safe from misuse in the face of emerging threats.



The Gambling AML/CFT Code 2019 requires businesses to adopt a risk-based approach, and there are currently no plans to amend the Code at this time.

How does this link to what other agencies are doing?

Agencies involved in the Island's AML/CFT framework remain committed to upholding international standards and continuously enhancing the framework's overall effectiveness. Each agency regularly reviews its role within the framework to identify and address any gaps in technical compliance or effectiveness relative to global benchmarks.

In parallel to the GSC reforms, the Financial Services Authority (FSA) is also [introducing legislative reforms through the FSA Bill](#).