



Isle of Man Online Gambling FACT SHEET SEPTEMBER 2009

Online Gambling *In Brief*

The Licence

- One Licence for all forms of Online gambling (except spread betting)
 - ◆ e.g. Poker, Casino games, Sports Betting, Lottery, Tote, Betting Exchanges
- One annual licence Fee of £35,000
- Application fee £1000

Sub-licenses *New*

- Sub-licenses available to use the games of an IOM network operator
- E.g. A poker network, betting exchange or casino
- Annual licence fee £5000

White List

- White Listed Jurisdiction– IOM operators can advertise into the UK market

The Regulations

- Simplified Regulations
- Well regulated jurisdiction with proactive regulators
- Independent Online Gambling Commissioners
- Betting using credit allowed *New*
- Special arrangements for business to business online gambling *New*
- Advertising and marketing of online gambling allowed from the Island
- Simplified systems testing regulations
- Disaster Recovery– special arrangements for disaster recovery from the Island
- Designated Official can be based off the Isle of Man

Tax and Duty

- Low online gambling duty
- No corporation tax

Infrastructure

- World Class telecommunications infrastructure
- Excellent business infrastructure and technical “know how”
- First Class modern hosting centres
- Leading banks based on Island

TAX RATES

Corporation Tax Rate

The Isle of Man corporation tax rate is 0%

Personal Income Tax Rate

Higher Rate at 18%
Tax Cap– maximum tax payable by a individual now £100,000 per annum

NO capital gains taxes

NO Inheritance taxes

Duty for Online Gambling

Gross Gaming Yield or retained profit not exceeding £20 million per annum, duty = 1.5%

Gross Gaming Yield or retained profit between £20 million and £40 million, duty = 0.5%

Gross Gaming Yield or retained profit exceeding £40 Million, duty = 0.1%

Applies to all Online gaming such as casino games, poker and sports betting

Online Pool Betting
Duty = 15% of gross gaming yield

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Advocate Miles Benham

Miles Benham is a member of the
International Masters of Gaming Law.

MannBenham Advocates Limited

Who we are

We are an legal practice of Isle of Man commercial lawyers.

What we do

We have extensive experience of the law of online gambling. We can assist you with all of the legal aspects of your business, from setting up the operation, obtaining an online gambling licence, raising capital, through to listing the business on a stock exchange.

We have acted for numerous online casinos, bookmakers, poker companies, online Totes, lotteries, betting exchanges, skill based gaming operators and payment providers. Our gambling clients vary from small start up operations to internationally listed public companies.

Miles Benham, an Advocate, Notary Public and director of the practice is a member of the International Masters of Gaming Law and has spoken at numerous International Gambling conferences and is the author of the Isle of Man chapter of the Internet Gambling Report.

MannBenham Fiduciaries Limited

Who we are

We are a trust and corporate service provider and hold a licence to form and administer trusts and companies. We are a wholly owned subsidiary of MannBenham Advocates Limited.

What we do

We can help set up and administer your Isle of Man operation. Our experienced team has set up and administered structures for online gambling companies, payment companies and software providers. We can assist with the ongoing administration of those companies. Examples of our services:

- Accounting, payments, payroll, company administration
- Provision of directors, company secretary and registered office

TELECOMMUNICATIONS AND BANDWIDTH

The Isle of Man has a world-class telecommunications infrastructure based on two fibre optic cable self-healing rings using SDH technology, both of which are operated by global telecoms operators, BT and Cable & Wireless. The rings connect the Island to the north of England and Northern Ireland which ensures traffic continues to flow, even in the event of a break at any point in the network. The existing resilient fibre ring with its 1.2 tera bits per second capacity is capable of carrying up to 10 times the current transatlantic internet traffic between Europe and the Americas.

In addition, the Island is served by four major service providers, Manx Telecom (www.manx-telecom.com), Domicilium (www.domicilium.com), Netcetera (www.netcetera.co.uk) and Continent 8 (www.continent8.com) who leverage these rings to provide high capacity e-gaming focused communications services. These services utilise state of the art technologies including MPLS to deliver the stable, low-latency and resilient foundations essential to the success of an e-gaming business.

The off-Island MPLS network provided by Manx Telecom is fully resilient and diversely supplied over a 10 Gbs-1 (gigabit per second) backbone, connecting the Isle of Man directly to the core of London's global telecommunications points of presence and onwards around the world. The network delivers fully managed and monitored global connectivity solutions.

