DIGITAL
ISLE OF MAN

DIGITAL
ISLE OF MAN
PROGRAMME 2024

ISLE OF
OPEN MINDS

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MINISTER'S FOREWORD

HON. TIM JOHNSTON MHK
MINISTER FOR ENTERPRISE

The Economic Strategy, supported by Tynwald at the end of 2022, made clear that the digital sector forms an important component of our economic engine; it is the driving force behind much innovation, job creation, and economic diversification. We continue to see its impact reverberate across industries, from financial services to emerging technologies, and Digital Isle of Man are poised to support the sector and help position the Isle of Man as a dynamic hub for digital excellence.

The 2024 Programme sets a roadmap of activity and targets for Digital Isle of Man over the next year, and serves to articulate how their work directly aligns with the Isle of Man's long-term economic vision, transforming the ambitions of the Economic Strategy into tangible actions.

Whilst this Programme is about looking forwards, I want to take a moment to reflect on the preceding year, and the role initiatives such as the FinTech Innovation Challenge, the development of strategic roadmaps and capitalisation of opportunities at various global conferences throughout the year have played in shaping the trajectory of our Island's economic landscape. The results show real economic impact in the form of continued new job creation, business relocations and increasing numbers of eGaming licences.

Of course, it is important to acknowledge that there are indeed challenges posed by global economic shifts and technological advancements which we will need to navigate over the next year, however I am confident we are prepared as an Island to respond accordingly and embrace the opportunities they present.

It is important to recognise that the digital sector, and the many innovations being developed each day, are key to our economic resilience and sustainability in the long term. The sector's potential lies not only in its role as a catalyst for job creation and skill development, but also in its capacity to generate income and prosperity.

Amidst the backdrop of global economies being increasingly influenced by rapid technological changes, investing in and growing our digital sector offers real opportunity. Digital's 2024 Programme shows a focus on expediting these opportunities, with emphasis on exploring the data and knowledge industries, alongside understanding the potential to develop an AI proposition in the Isle of Man.

Digital Isle of Man is strategically positioned to embrace and capitalise on our Island's unique strengths, from regulatory frameworks to the nimbleness inherent in being a small market ideal for testing new technologies. It is through this continued work that we can foster an environment where the digital sector not only survives but thrives.

Digital Isle of Man is our public private partnership charged with supporting the digital industry, driving forward and promoting the sector, developing new products and seizing new opportunities. I extend my thanks to the committed individuals who form the Digital Isle of Man Board, and continue to provide important representation from across the sector, leading Digital Isle of Man's approach to achieving our goals.

The digital landscape evolves daily, but armed with the Economic Strategy and an ambitious yet achievable annual programme, I believe we are well-positioned to seize new opportunities in the digital sector. I am confident that by harnessing the potential of our robust foundation of economic strengths, we will ensure a secure, vibrant, and sustainable future for the digital sector in the Isle of Man.

CEO'S EXECUTIVE SUMMARY

As we reflect on the achievements and challenges faced in 2023, it is with a sense of accomplishment and resilience that we present Digital Isle of Man's Programme for 2024. The past year was marked by significant milestones, including attaining 84 eGaming licenses, alongside the successful launch of the first FinTech Innovation Challenge. These accomplishments were underpinned by robust industry relationships, both locally and internationally, setting the stage for an exciting year ahead.

In 2023, our concerted efforts resulted in the creation and fulfilment of 240 digital jobs, demonstrating our commitment to fostering economic growth and opportunities in the digital sector. However, challenges stemming from a new funding model and spending pressures led to delays, constraining our budget to two-thirds of our initial projections, which ultimately impacted the execution of the 2023 Programme.

Throughout the year, we observed certain businesses within the digital sector facing difficulties and Digital Isle of Man remained steadfast in its commitment to offering support and guidance, ensuring these businesses received the necessary assistance required.

A substantial amount of work was carried out in 2023 to develop our new initiatives for 2024, which were Data Stewardship, and Artificial Intelligence (AI) - a fast-paced and significant development within the digital world this last year. The urgency of this essential initiative drove a swift reorientation of our efforts, with the creation of a specific AI strategy.

Although not initially on our agenda, we have taken responsibility for the Electronic Transactions Act revision work, particularly focusing on e-signing and digital identity considerations, aligning our efforts with stakeholder needs.

LYLE WRAXALL
CHIEF EXECUTIVE OFFICER, DIGITAL ISLE OF MAN

Looking ahead to 2024, our primary initiative centres around AI and Data Stewardship, with a focus on establishing robust foundations through infrastructure. The 2024 Programme has been conservatively designed to be funded from our existing budget, with the exception of our AI strategy for 2030, which requires the development of a compelling business case.

I'd like to take this opportunity to thank the extraordinary team at Digital Isle of Man, whose resilience, dedication, and unwavering commitment have been the cornerstone of our achievements, along with the ongoing political support and encouragement we have received throughout this challenging year.

As we approach the new year, Digital Isle of Man's commitment remains resolute in providing certainty for the future and safeguarding the existing 2,200 jobs and the £20 million in exchequer benefits generated from the digital sector. With a firm focus on innovation, collaboration, and sustainable growth, we will embrace the opportunities and challenges that lie ahead.

OUR PURPOSE

The Isle of Man is ideally placed to strategically extend and expand its current assets to develop as an ever-expanding and vibrant hub of digital innovation, by leveraging our globally acknowledged legislative and regulatory capabilities.

We have all the foundations in place to promote balanced business, ethics, and sustainability – and this in turn will support continued growth in this important sector of the Island's economy.

We can:

• Create highly regarded, globally relevant, regulation and legislation
• Develop a protective privacy environment for high-value data

• Give access to a highly integrated and supportive business community (including government)
• Support innovative trials.

We must leverage these attributes effectively as we further our goal of making the Isle of Man an excellent place to do business.

Digital Isle of Man continues to be excited and optimistic about meeting the challenge to drive forward the digital position of the Island. Making it an outstanding place for all of those who live, learn and work here, both economically and socially.

OUR STRENGTHS

Here are just some of the Isle of Man's strengths as a centre of excellence for digital technology and infrastructure:

• A competitive tax regime
• A growing and expanding tech sector, home to many prominent global brands and established headquarters
• International recognition for stability and sound regulatory frameworks
• Across the Island, over 85% of premises have access to 1Gbps fibre
• Two new undersea fibre optic cables, to complement the existing five, strengthening the Isle of Man's connectivity to Ireland and the UK, with onward connections to continental Europe and the US
• Local government has committed to a net-zero emissions strategy
• The only single nation in the world to be awarded UNESCO Biosphere status

• A significant pool of untapped economic potential driving opportunities, coupled with a proven ability to effectively regulate and foster growth in targeted niche sectors
• Multiple Tier-3 data centres along with a resilient and robust communications backbone, including satellite connectivity
• A highly collaborative ethos is prevalent between the business community and local government.
• Highly regarded both for the standard of the digital sector and as a leading international business centre
• Supportive of importing skills and talent, with 51% of the population being non-indigenous
• Offers ample space and the capacity to grow
• Provides an attractive work-life balance, with industry fully supportive of the hybrid working model.

OUR HEADLINE TARGETS & OBJECTIVES
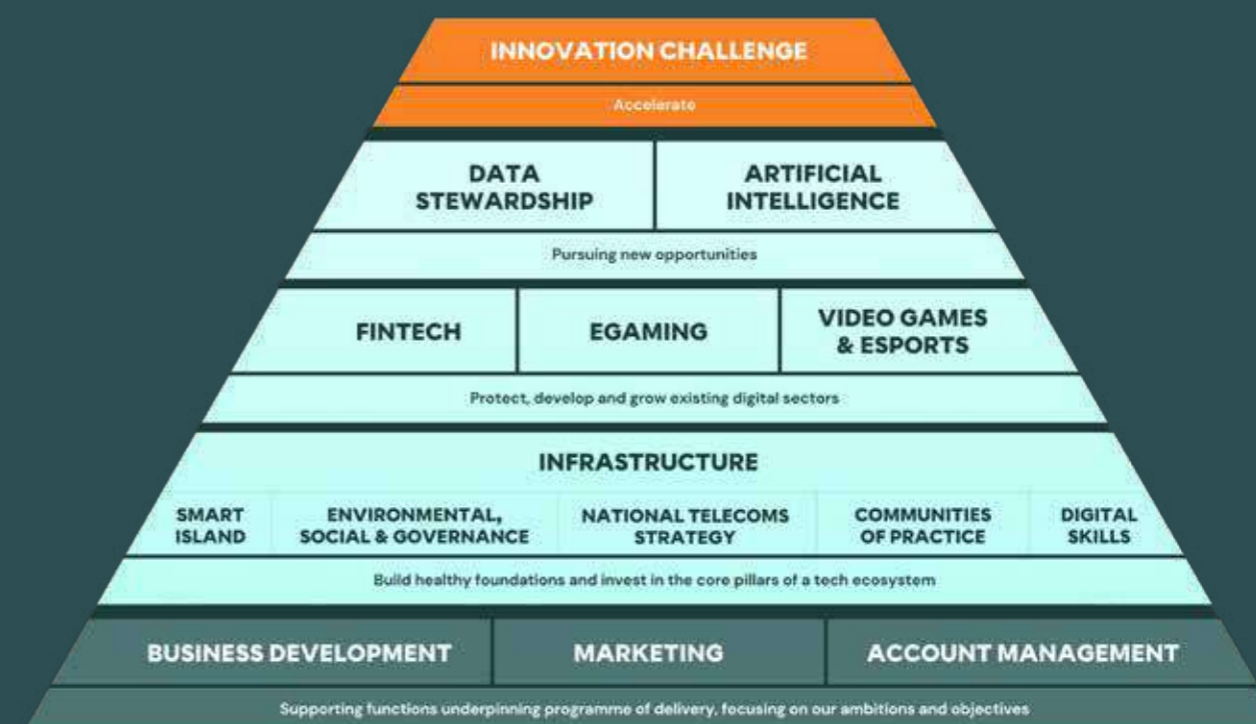
HEADLINE OBJECTIVE:

• Continue to maintain and grow the key sectors of the Island's digital economy.

HEADLINE KEY RESULTS:

• 300 new digital jobs to be created and filled by the end of 2024
• AI initiative to be agreed and funded by Q2 2024
• Deliver a 2024 Innovation Challenge.

OUR ROLE IN GROWING THE ISLAND'S ECONOMY

NEW INITIATIVES

ARTIFICIAL INTELLIGENCE

In 2023, ChatGPT shattered records, amassing 100 million monthly active users within just two months of its launch, marking an unparalleled acceleration in the adoption of generative AI technologies. With AI well and truly on the rise, there are many fundamental questions which must be considered, including:

- Increasing productivity: How can the rapid availability of generative AI enhance productivity and free up the limited workforce for high-value tasks across our Island's economy? Equally, how can non-generative AI support businesses through automation of routine tasks, or optimisation of business processes?
- Data security: With the surge in usage, what measures are in place to ensure the privacy and security of data?

- AI governance: As AI becomes more sophisticated, what ethical considerations should be prioritised, especially in customer and society-facing applications?

While the Island and the world address these critical questions, it is also imperative that we champion AI; showcasing how best to leverage it, from sole traders to multi-nationals, while mitigating the associated risks. Ultimately our goal is to become a nation that harnesses AI to its fullest potential.

Significant groundwork has already been laid by Digital Isle of Man in 2023, with the development of an AI strategy for the Isle of Man. Securing industry buy-in, political support, and necessary funding in 2024 will be crucial in delivering this proposed strategy.

DATA STEWARDSHIP

Globally, technology sectors are experiencing exponential growth, largely powered by the extensive data they utilise. This data, when analysed, provides vital insights, paving the way for innovation, optimisation, and breakthroughs. Data's role is also crucial to AI, with AI systems relying on vast datasets to learn and enhance their capabilities.

As data collection becomes more prevalent, concerns about privacy, security, and ethical data use arise. As such, societies are demanding further transparency in how their data is managed, used, and protected. As AI becomes increasingly integrated into our daily lives, the significance of data and trust intensifies. Data and trust are essential and intrinsically linked; without them, the AI revolution which promises to reshape technology and humanity would be unachievable. Thus, as we stand on the cusp of a new technological era, it's evident that data is not just important—it's indispensable, and so is the trust society places in its management.

As such, many jurisdictions are establishing frameworks to facilitate 'Data Stewardship'. This practice entails the responsible management and oversight of an organisation's data assets to ensure usability, reliability, and compliance with security standards. It involves various activities related to data acquisition, curation, maintenance, and dissemination. Data stewards are primarily responsible for data storage, archiving, backup, and protection against theft and cyber threats. Moreover, they ensure data is available to those who need it and is consistent for a diverse range of stakeholders.

In 2024, Digital Isle of Man will launch its inaugural Data Foundation structure. Leveraging the Innovation Challenge, the aim is to trial the concept of Data Stewardship with both local and international businesses, anticipating the advancement of new industry models throughout the year. Specifically, our focus will involve the development of data 'Trusts' using Foundation corporate structures to support stewardship activities. Additionally, we're exploring the principles of treating data as an asset or property, outlining how 'Data Trustees' could monitor and audit the data for which they are responsible, ensuring its use aligns with predefined purposes.

Moreover, we're exploring the potential for data monetisation; both through licensing but also potentially as an income stream for the original data owners. This remains a challenging initiative and we will consider differing approaches.

CONTINUING INITIATIVES

eGaming remains a dominant sector within our digital ecosystem, and 2023 has seen record growth. However, noticeable challenges are emerging, prompting the development of strategies to sustain ongoing growth while addressing industry risks. A key focus for 2024 will be to create a long-term eGaming strategy considering the opportunities ahead, as well as the industry headwinds.

While the Island's **FinTech** sector experienced some growth in 2023, it did not achieve the level we had projected. Nevertheless, the pipeline of opportunities remains robust, albeit with some taking longer than anticipated to materialise. Looking ahead to 2024, we will continue our close collaboration with Finance Isle of Man and the Isle of Man Financial Services Authority.

This partnership aims to harness the potential of our recently launched FinTech Innovation Hub, which provides guidance and support for new businesses and aims to implement enhancements based on valuable feedback. Moreover, we will leverage the Innovation Challenge to showcase the Island's advantages and opportunities to global FinTech businesses.

In early 2023, we redefined the scope, purpose, and approach to our **Video Games and Esports** vertical. Following a review performed by Business Development in Q3 2023, this emerging sector is displaying early signs of success, with promising initial indicators visible. The initiative will continue into 2024, culminating in a review at the end of Q4 2024.

INFRASTRUCTURE

FORGING SOLID FOUNDATIONS FOR A HEALTHY DIGITAL ECOSYSTEM

NATIONAL TELECOMS STRATEGY

To date, our Infrastructure Programme has primarily focused on implementing the National Telecoms Strategy, and more notably, the National Broadband Plan rollout which aims to provide 1Gb/s fibre access to 99% of the non-commercial premises on the Isle of Man by August 2024.

As the programme approaches its conclusion, Digital Isle of Man is considering the proposal of a second National Telecoms Strategy, designed in collaboration with industry. The need for solid, fertile foundations to sustain the Island's thriving tech sector is more apparent than ever. The new strategy, while broadening its scope, will maintain focus on completing ongoing strategic objectives, such as the National Broadband Plan, and will also outline avenues building on the existing National Telecoms Strategy. Essential to this new direction is considering industry needs and their significant input across all identified elements.

Emphasising business as usual, the new strategy aims to support the digital sector, fostering innovation, and envisioning future transformative benefits for society. The primary goal is to position the Isle of Man as a hub for digital businesses with strong connectivity, as well as an attractive place to live and work.

Creating a healthy digital ecosystem requires careful consideration of many other elements too. Those which Digital Isle of Man considers a priority, include **Environmental, Social, and Governance (ESG)**, **Communities of Practice**, and **Skills**.

ENVIRONMENTAL, SOCIAL, AND GOVERNANCE (ESG)

ESG has become a central focus for investors, businesses, and consumers alike.

1. **Attracting investment:** A digital ecosystem that demonstrates robust ESG practices can attract increased funding from socially conscious investors.
2. **Talent acquisition and retention:** Tech firms with robust ESG practices can attract and retain top talent to work in ethically sound environments contributing positively to society.
3. **Innovation and adaptability:** Social considerations inspire tech solutions addressing societal challenges, while strong governance can ensure the ethical use of emerging technologies like AI.
4. **Risk management:** Strong governance practices can mitigate regulatory and legal risks, while environmental practices enable tech firms to anticipate and adapt to environmental regulations and changes.
5. **Building trust:** ESG practices aid in building trust with consumers, partners, and stakeholders. A responsible and ethical digital ecosystem earns public support and customer loyalty.

6. **Long-term sustainability:** While short-term gains are crucial, the sustained growth and success of a digital ecosystem depend on its long-term sustainability. ESG practices ensure sustainable growth and consider the long-term health of the environment, society, and a company's governance structures.
7. **Market opportunities:** As global challenges related to environmental and social issues escalate, increasing market opportunities arise for tech solutions addressing these challenges. A digital ecosystem integrating ESG principles can access these burgeoning markets, from clean energy solutions to platforms promoting social inclusivity.

ESG is far more than a box-ticking exercise or passing trend; it embodies a fundamental shift in how businesses operate and evolve. When applied to the Isle of Man's digital ecosystem, the integration of ESG principles promises substantial economic benefits. Digital Isle of Man will actively support the sector in engaging with ESG activities, as it not only encourages increased investment and superior talent acquisition but also nurtures enhanced innovation and ensures enduring long-term sustainability.

3. **Feedback loop:** Start-ups and tech companies can leverage community feedback to refine their products or services. Direct engagement with users and peers within a community setting offers valuable insights that formal channels might overlook.
4. **Support and mentorship:** Navigating the tech world can be challenging. Communities offer support structures, mentorship programmes, and guidance, helping newcomers avoid common pitfalls, which can foster more effective growth.
5. **Resource pooling:** Communities often share resources, be it software tools, co-working spaces, or access to databases, reducing costs and barriers to entry for newcomers.
6. **Advocacy and representation:** A united community can advocate for favourable policies, regulations, and support from governmental and institutional bodies. They can also ensure representation for underrepresented groups, fostering diversity and inclusivity in the digital ecosystem.
7. **Market creation:** Communities have the potential to create niche markets. For instance, open-source communities have led to the development of entirely new business models and markets that did not exist previously.
8. **Trust building:** Communities, through events, collaborations, and shared successes, can support trust-building among stakeholders, including investors, consumers, and regulatory bodies.

9. **Cultural and ethical foundations:** Communities often set the cultural and ethical tone for the broader ecosystem. They champion values such as transparency, inclusivity, and sustainability, which then become ingrained in the larger tech environment.
10. **Resilience in adversity:** In challenging times, be it economic downturns, regulatory hurdles, or technological disruptions, a close-knit community can offer the resilience and collective wisdom required to navigate adversity.
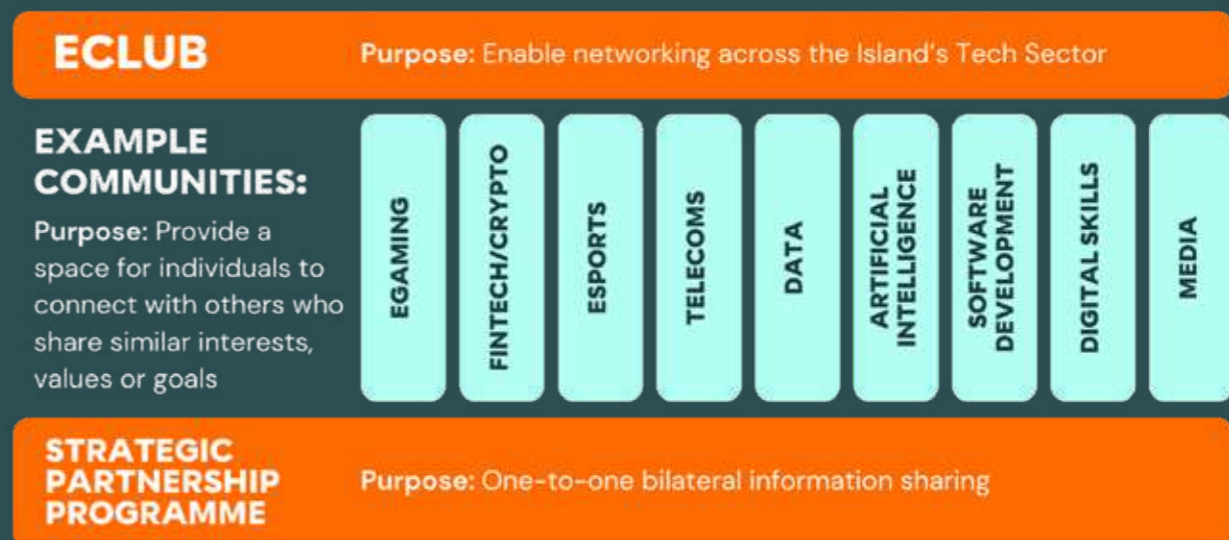
In essence, while individual companies or innovators may form the building blocks of a digital ecosystem, it is the communities that provide the glue, holding these blocks together, and facilitating interactions. Considering this, Digital Isle of Man will continue to contribute to the development of a community economy through initiatives such as eClub and our Strategic Partnership Programme, while establishing additional channels to cultivate further Communities of Practice across our six Action Programmes. These communities will serve as a cornerstone, offering essential support and guidance, fostering collaboration and knowledge sharing, thereby ensuring the long-term sustainability and prosperity of the Island's digital ecosystem.

COMMUNITIES OF PRACTICE

Over the past year, feedback from newcomers to the Island has highlighted the difficulty of connecting with colleagues in similar professional spheres. Although we currently host eClub, a broad networking event six times a year, feedback from industry stakeholders has acknowledged eClub's success in providing general networking opportunities but has also stressed the necessity for more targeted support in creating specialised, sector-specific communities to further advance these sectors. In response, our new workstream seeks to establish communities of practice through weekly events, with a focus on sharing knowledge about new trends, risks, issues, and opportunities. These events aim to encourage engagement within local businesses, fostering the development of Communities of Practice - groups of individuals united by shared expertise or interest in a sector, promoting collaborative enterprise.

Communities of Practice play an indispensable role in the growth and dynamism of a digital ecosystem. Their importance can be understood through the following points:

1. **Knowledge sharing and collaboration:** Communities foster an environment where individuals can share knowledge, insights, and best practices, accelerating innovation, as ideas are refined and improved upon through collective input.
2. **Talent development and networking:** Tech communities often host workshops, hackathons, and seminars that help individuals hone their skills. They also provide networking opportunities, linking aspiring entrepreneurs with potential investors, mentors, or co-founders.

ECLUB — Purpose: Enable networking across the Island's Tech Sector

EXAMPLE COMMUNITIES: Purpose: Provide a space for individuals to connect with others who share similar interests, values or goals

EGAMING · FINTECH/CRYPTO · ESPORTS · TELECOMS · DATA · ARTIFICIAL INTELLIGENCE · SOFTWARE DEVELOPMENT · DIGITAL SKILLS · MEDIA

STRATEGIC PARTNERSHIP PROGRAMME — Purpose: One-to-one bilateral information sharing

SKILLS

Skills continue to be a prominent issue among businesses across our Island. Consequently, a 'Skills and Workforce' Board has been established, comprising members from the Department of Education, Sports & Culture (DESC), the Department for Enterprise (DfE), the Isle of Man Chamber of Commerce (CoC) and Treasury. This board will be responsible for developing a skills strategy, which Digital Isle of Man will actively contribute to and offer insights to inform.

SMART ISLAND

In 2023, Digital Isle of Man's **Smart Island** initiative encountered notable challenges. A primary obstacle has been demonstrating the economic value of this initiative. As a result, the scope has been refined in 2024 to concentrate on economic indicators. Collaborating with our sister agencies at the DfE, we anticipate supporting Visit Isle of Man and Business Isle of Man in reaching their objectives through the application of smart technology.

SUPPORTING FUNCTIONS

Digital Isle of Man is guided by a fundamental set of principles that underpin our initiatives. Our collaborative approach with stakeholders aims to create value not just for individual businesses but for the entirety of the Isle of Man. This partnership strategy forms the foundation upon which we collectively bolster the digital economy and is supported by our Strategic Partnership and Marketing functions.

Our Strategic Partners handle Business Development and Account Management across our ongoing initiatives, contributing to the nurturing of local businesses and the attraction of new ventures. In parallel, the Marketing team serves as a driving force behind our promotional efforts, facilitating the strategy that enhances awareness, engages our audience, and ultimately propels the success of our various initiatives.

Central to our Strategic Partners approach is a balanced emphasis on growth, striving for a 60/40 split in nurturing existing local businesses and attracting new ventures to the Island. We continuously engage

with the digital ecosystem to identify growth catalysts, ensuring that the Island's offering remains competitive and relevant. By working closely with stakeholders, we address barriers to business expansion, while fostering a collaborative business development approach which empowers the strong and supportive sectors within the digital landscape to reach their market potential.

In the realm of technology, we lead by example, exploring emerging technologies and how they can be utilised to improve business processes in both government and industry. Collaboration lies at the core of our efforts, with Digital Isle of Man serving as a conduit between the government and the private sector. Through active listening and understanding the industry's concerns, ideas, and priorities, we craft action plans which are presented to government for consideration. This reciprocal process allows businesses to leverage governmental resources, knowledge, and data, fostering mutual growth and development.

INNOVATION CHALLENGE

ACCELERATING DIGITAL GROWTH WITHIN THE BIOSPHERE

Building upon the resounding success of our inaugural FinTech Innovation Challenge, we have launched an even more dynamic experience for the 2024 edition. This year's Challenge extends its reach to three distinct themes:

- **FinTech:** Continuing our journey of transforming the financial landscape, we invite trailblazers to revolutionise the world of finance and pioneer ground-breaking solutions that reshape the industry
- **Artificial Intelligence:** Unleash the power of data-driven technologies and AI as we explore cutting-edge solutions that leverage insights, automate processes, and unlock the potential of this rapidly evolving field
- **Cleantech:** Embracing sustainability and environmental stewardship, this sector encourages entrepreneurs to fuse innovation with ecological consciousness, addressing critical challenges concerning our planet's welfare.

As a UNESCO Biosphere, the Isle of Man is the ideal backdrop for the Innovation Challenge. With its commitment to innovation, sustainability, and quality of life, it offers a unique ecosystem that balances conservation, economic development, and culture. Our agile regulatory environment and supportive community make the Isle of Man the perfect testbed for such ground-breaking ideas.

The Innovation Challenge also reflects the Isle of Man's ambition to cultivate a secure, vibrant, and sustainable future. It offers innovative global businesses an opportunity to engage with the Island's thriving and collaborative business community, demonstrating their solutions across three themes within the world's only Biosphere nation.
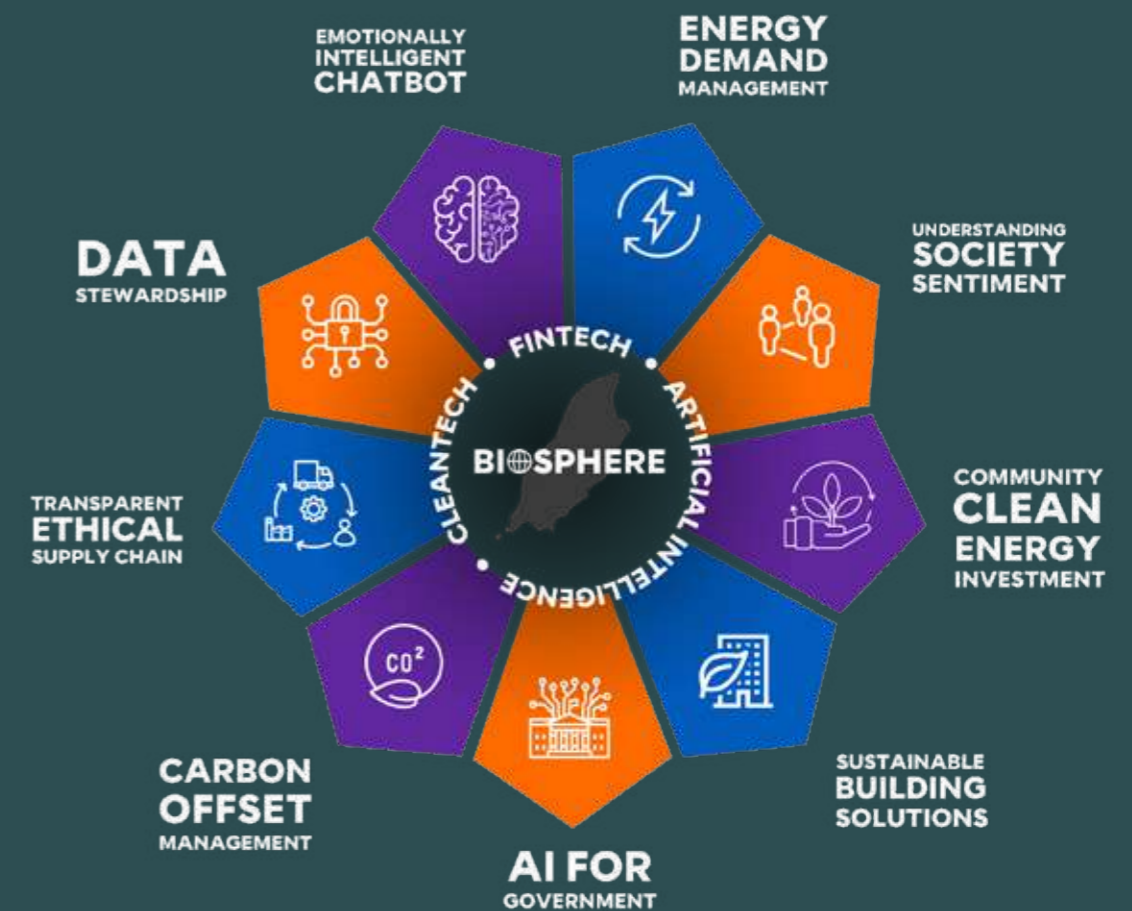
OUR ACTION
PROGRAMMES

ISLE OF
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EGAMING

The Island continues to experience growth in eGaming licences and jobs. To sustain this success and achieve long-term growth, it's essential to chart the Island's direction in this sector and establish objectives that maintain its competitive advantage while adapting to changing circumstances.

Digital Isle of Man continues to work closely with industry to facilitate the growth of existing on-Island businesses, identifying barriers to growth alongside opportunities for the sector. We also work closely with industry service providers, partnering with the private sector to help attract new businesses to licence and establish a base of operation on Island.

OBJECTIVE

- Drive continued growth and refresh the Island's long-term eGaming strategy

KEY RESULTS

- 200 new jobs created and filled in the eGaming sector by the end of 2024
- Grow to a total of 100 live Isle of Man Gambling Supervision Commission licences by the end of 2024
- Long-term eGaming Strategy Report to be delivered by the end of 2024.

ACTIONS

PROMOTION

- Account management to identify common themes, barriers, and opportunities across the sector
- Business development and opportunity pipeline management
- Branding and reputation development
- Raising awareness via public relations, including press and social media campaigns
- Targeted 2024 conference schedule with participation in key eGaming events across our target markets
- Event analysis following the completion of our event schedule.

POLICY

- Facilitate quarterly meetings with the eGaming Strategic Advisory Board (eGSAB)
- Deliver a MONEYVAL Engagement and Update Programme
- Complete a comprehensive review of licence restrictions which may negatively impact local businesses
- Evaluate the impact of current regulations on fostering substance in the Island and explore opportunities to incentivise greater substance
- Continue ongoing discussions with industry and the Isle of Man Treasury regarding future tax positions relating to Pillar 2 and substance
- Continue to support the Island's eGaming ecosystem by establishing an eGaming Community of Practice in 2024.

PRODUCT

- Define the scope for an eGaming Strategy Report
- Conduct a comprehensive tender process and engage with a consultancy to construct a long-term eGaming Strategy Report
- Engage with industry to shape the development of the eGaming Strategy Report
- Deliver the eGaming Strategy Report following extensive industry engagement, ready for review and implementation.

FINTECH

FinTech has become a central component of the Isle of Man's financial service offering, fostering a broader spectrum of products and services within this sector. It is essential that we remain attentive to these changes while encouraging continuous innovation on Island. The establishment of the Financial Innovation Hub in 2023 reflects our commitment to providing a clear path for emerging FinTech ventures in the Isle of Man. This strategic initiative is set to shape the Island's FinTech landscape, preparing us to navigate the dynamics and complexities of this space in the coming years.

Ensuring connectivity to global FinTech products elsewhere is also imperative. Aligned with this focus, continuous assessment of our regulatory framework is essential, along with how we collaborate with other jurisdictions in a mutually beneficial manner, while ensuring the Island retains its unique selling points.

OBJECTIVE

- Drive continued growth of the FinTech sector in collaboration with Finance Isle of Man and the Isle of Man Financial Services Authority

KEY RESULTS

- 80 new jobs created and filled in the FinTech sector by the end of 2024
- 10 new Isle of Man Financial Services Authority FinTech related registrations or licences by the end of 2024
- Engage with 10 new businesses through the FinTech Innovation Hub by the end of 2024.

POLICY

- Propose a long-term FinTech strategy to be considered by Digital Isle of Man, Finance Isle of Man, and the Isle of Man Financial Services Authority through the FinTech Steering Committee
- Work with industry to consider challenges to support a FinTech theme in the 2025 Innovation Challenge.

PRODUCT

- Support a minimum of 10 businesses through the Financial Innovation Hub
- Leveraging the Financial Innovation Hub, support the development of new products through regulatory change
- Assist the 2024 Innovation Challenge's FinTech category participants in delivering solutions to the Island
- Continue to support the Island's FinTech ecosystem by establishing a FinTech Community of Practice in 2024.

ACTIONS

PROMOTION

- Promote the newly launched Financial Innovation Hub
- Leverage the Innovation Challenge to promote the Island's growing FinTech ecosystem. This will be delivered in collaboration with Finance Isle of Man, specifically alongside their Insurtech initiatives
- Targeted 2024 conference schedule with participation in key FinTech events across our target markets.

VIDEO GAMES & ESPORTS

Our vision for Video Games and Esports is to create and support a global centre of excellence for the industry.

After revising our Video Games and Esports strategy and clarifying the Isle of Man's market offering in 2023, we've seen substantial interest from a range of businesses within the industry. This includes game development companies with a mature product portfolio, along with a mix of B2B and B2C ancillary service providers including PR agencies, marketing analytics firms, data suppliers, recruiters and design firms.

With this understanding, we plan to intensify our outreach to companies of this profile and consider areas in which we can assist the infrastructural supporting businesses of the sector. This new direction will involve the delivery of an Isle of Man Video Games and Esports Consortium. Meeting on a quarterly basis, the consortium will bring together local businesses, with the aim of refining our target markets, sharing successes, exchanging knowledge, and promoting best practices. The overarching goal is to cultivate a culture of continuous improvement in a supportive and informative setting.

OBJECTIVE

- Establish a Video Gaming and Esports industry presence in the Isle of Man

KEY RESULTS

- 20 new jobs created and filled in the Video Games and Esports sector by the end of 2024
- Pitch our Video Games and Esports proposition to 200 new off-Island businesses by the end of 2024
- Develop an Isle of Man Video Games and Esports Consortium by the end of 2024.

ACTIONS

PROMOTION

- Run a promotional campaign demonstrating the Isle of Man's ability to support the Video Games and Esports sector
- Partner with CSPs, law firms, and other Isle of Man service providers to promote the Island's Video Games and Esports proposition
- Identify a minimum of 40 prospects, which will be added to the opportunity pipeline
- Update Video Games and Esports collateral on the Digital Isle of Man website
- Targeted 2024 conference schedule with participation in key Video Games and Esports events across our target markets
- Targeted approaches to key sector participants.

POLICY

- Support existing Isle of Man businesses in expanding their services into the Video Games and Esports sector
- Explore and identify additional areas of opportunity within the Video Games market.

PRODUCT

- Review the Video Games and Esports initiative at the end of Q2 2024
- Host quarterly sessions for the newly established Isle of Man Video Games and Esports Consortium
- Support the Isle of Man TT Team with the existing and upcoming TT Video Game
- Support the development of the Island's Video Game and Esports ecosystem by establishing a Video Games and Esports Community of Practice in 2024.

INFRASTRUCTURE

The National Telecoms Strategy reached its penultimate year in 2023 and has delivered over 90% of its strategic actions. The National Broadband Plan, which was the most significant part of the strategy, remains within budget and slightly ahead of schedule, with over 90% of the Island's premises passed by ultrafast fibre broadband.

Efforts are now directed towards creating a Digital Infrastructure Strategy for the next five years. This strategy aims to broaden its focus beyond the previous National Telecom Strategy. Developed in partnership with industry, it seeks to establish the foundational elements required to launch the Isle of Man as an international tech hub. Beyond supporting digital infrastructure like 5G, high-speed broadband access, and undersea connectivity, the strategy will encompass the delivery of the Communities of Practice concept, initiatives to support industry with ESG targets and collaborations with local STEM organisations such as Love Tech.

Ongoing work is still underway to support the implementation of a new National Security Framework, developed in collaboration with the UK and Channel Islands. Whilst additional measures are in progress to introduce safeguards against consumer Calling Line Identity (CLI) fraud, scheduled for implementation in 2024.

OBJECTIVE

- Complete the National Broadband Plan and develop a broad and wide-reaching Digital Infrastructure Strategy which provides a roadmap for the next five years

KEY RESULTS

- Complete the National Broadband Plan by August 2024 with 99% of premises passed in the non-commercial areas of the Island
- Deliver the Communities of Practice concept by the end of 2024
- Develop and approve a new wide-reaching Digital Infrastructure Strategy by the end of 2024.

ACTIONS

PROMOTION

- Ensure the Think Fibre website is regularly updated through to and beyond the completion of the National Broadband Plan in August 2024
- Publish a case study outlining the comprehensive programme learnings from the National Broadband Plan
- Collaborate with local digital stakeholders to develop and promote awareness of the new Digital Infrastructure Strategy.

POLICY

- Policy has been agreed to provide sector support to drive fibre roll-out in non-National Broadband Plan (commercial) areas
- Review subsea cable infrastructure and understand if government intervention is required in the market
- Establish a policy framework to support consumer adoption of the new fibre network
- Support industry in setting, implementing, and achieving ESG targets
- Form a working group alongside Love Tech and other local STEM organisations to address evolving skills requirements in the tech and STEM sectors. Results and recommendations will be provided to the Skills and Workforce Board.

PRODUCT

- Complete the National Broadband Plan by August 2024
- Aim to have over 50% of the Islands passed premises connected to the fibre network. This will equate to over 22,000 fibre connections by the end of 2024
- In partnership with industry develop the next phase of the Digital Infrastructure Strategy, with the intention of nurturing the foundations required to launch the Isle of Man as an international tech hub
- Introduction of new telecoms regulation, including a CLI policy and National Security Framework which will be developed in conjunction with the UK and other Crown Dependencies
- Define and establish Communities of Practice alongside industry to support the Island's broader digital ecosystem in 2024.

DATA STEWARDSHIP

Digital Isle of Man remains committed to the development and introduction of propositions which support a data-related industry on the Island. As such, collaborative efforts with local legal experts and the Attorney General's Chambers are underway to explore whether existing legislation can be used to facilitate the introduction of a well-defined Data Stewardship proposition in the Isle of Man.

Supported by the expertise of the Island's TCSP community, in 2024 we aim to develop and launch a Data Foundation structure; a corporate structure that adheres to the highest ethical, transparency, and security standards, particularly when focusing on high-value and high-impact personal data activities.

We'll also be leveraging the 2024 Innovation Challenge to trial the concept of Data Stewardship with both local and international businesses, anticipating the advancement of new industry models throughout the year. Specifically, our focus will involve the development of data 'Trusts' using Foundation corporate structures to support Data Stewardship activities. We also intend to explore the principles of treating data as an asset or property, outlining how 'Data Trustees' could monitor and audit the data for which they are responsible, ensuring its use aligns with predefined purposes.

Moreover, we'll explore the potential for data monetisation; both through licensing but also potentially as an income stream for the original data owners. This remains a challenging initiative and we will consider differing approaches in the coming years.

OBJECTIVE

- Launch a Data Foundation structure and drive awareness and adoption through the 2024 Innovation Challenge

KEY RESULTS

- Launch and promote a Data Stewardship concept in 2024
- Test the Data Stewardship concept with three businesses by the end of 2024
- Review of the Foundation Act and its suitability for Data Stewardship in Q4 2024.

ACTIONS

PROMOTION

- Leverage the 2024 Innovation Challenge to promote Foundation-held data management
- Publish case studies demonstrating the benefits of the Foundation concept
- Targeted 2024 conference schedule with participation in key data events to promote the Data Foundation concept and its benefits
- Collaborate with university partners to publish academic papers on Data Stewardship.

POLICY

- Review of the Foundation Act and its suitability for Data Stewardship in Q4 2024
- Engagement with IFRS and GAAP accounting standards regarding the treatment of data value (data as an asset).

PRODUCT

- Publish a Data Stewardship page on the Digital Isle of Man website detailing the application of Data Foundations and their associated benefits
- Forge a relationship between the TCSP sector and data analyst experts required to take responsibility of Data Stewardship, with the goal of fostering a compelling data risk management sector
- Encourage collaboration between the accounting profession and stewardship professionals to establish the principles needed to render data accounting highly advantageous within the Isle of Man
- Develop the technical proficiency required for managing complex data oversight tasks to ensure compliance with predefined data usage objectives, enabling licensing capabilities (regardless of data location or distribution)
- Foster collaboration between the Data Stewardship industry and the Insurance sectors to create Captive Insurance products for insuring liabilities associated with Data Stewardship
- Establish the connections between Data Stewardship through Data Foundations and the utilisation of Data Sandboxes containing protected, curated, and public data
- Direct efforts toward managing Data Stewardship for AI in support of the AI strategy.

ARTIFICIAL INTELLIGENCE

In 2024, Digital Isle of Man is set to drive the development and support of a rapidly growing AI sector on the Isle of Man. The surge in AI adoption, exemplified by ChatGPT's rapid growth in 2023, has propelled these crucial discussions. These debates revolve around leveraging AI's generative capabilities to advance productivity across the Island's economy and address essential considerations of data privacy and security. Moreover, the advancements in generative AI prompt an urgent need for ethical considerations, especially in customer and society-facing applications.

Amid these discussions, Digital Isle of Man aims to champion AI while balancing the potential advantages and associated risks. The primary objective is to position the nation as a pivotal AI hub, harnessing its potential to the fullest. Building upon the groundwork laid in 2023, Digital Isle of Man will focus on finalising an AI strategy for the Isle of Man. Securing support from industries and political stakeholders, and acquiring necessary funding in 2024 will be crucial to realising this proposed strategy.

OBJECTIVE

- Leveraging AI, achieve a 10% increase in the Isle of Man's GDP (£530 million) by 2030

KEY RESULTS

- Present a compelling business case for the 2030 AI Strategy by Q2 2024
- Achieve a 7.5% increase in GDP (£397 million) through AI productivity by 2030
- Generate 2.5% in new GDP (£133 million) from AI products and services by 2030.

ACTIONS

PROMOTION

- Launch a 12-month on-Island AI awareness campaign
- Publish and circulate case studies on-Island which showcase the benefits of AI
- Promote and leverage the Memorandum of Understanding (MOU) with AI Singapore
- Targeted 2024 conference schedule with participation in key AI events to promote the Island's AI proposition
- Build meaningful relationships with the world's AI hubs, establishing partnerships where possible
- Establish AI drop-in clinics across the Island.

POLICY

- Extend and agree the AI strategy up to 2030
- Agree on a 5-year AI-focused delivery plan
- Secure funding to deliver the 5-year AI-focused delivery plan
- Consider AI regulatory opportunities for the Isle of Man.

PRODUCT

- Create a hub of excellence to facilitate AI projects for all businesses on the Isle of Man
- Establish a business outcome model to track the impact of AI activities to on-Island businesses
- Leveraging the Isle of Man's Biosphere status, forge international collaborations to attract top talent and Biosphere-focused businesses to the Island
- Establish an AI Community of Practice in 2024.

HORIZON SCANNING

Digital technology is always changing and therefore needs to be constantly monitored to maintain currency of thinking and competitiveness. Its application can span many initiatives and sectors, necessitating a comprehensive approach to digital capability and opportunity in that broad context.

Our strategy therefore involves integrating elements into existing initiatives from other sectors, drawing out work that will aid and assist our industry's ongoing projects, and actively seeking new opportunities or niches for further development.

Newly identified opportunities will be transitioned into operational initiatives, which will help us comprehend the necessary scope of work and the resources needed for execution.

OBJECTIVE

- Remain current as a digitally enabled and innovation-supporting jurisdiction, ensuring that our digital capabilities are coordinated to give the best possible outcomes in the most effective manner possible.

POSSIBLE FUTURE ACTIVITIES

The 2023 Gartner Hype Cycle for Emerging Technologies highlights 25 significant emerging technologies, categorised into four main themes: emergent AI, developer experience (DevX), pervasive cloud, and human-centric security and privacy. These technologies are expected to have a substantial impact on business and society over the next two to ten years, particularly in driving digital business transformation.

EMERGENT AI

This theme encompasses technologies that offer opportunities for sustainable differentiation and increased workforce productivity. Key technologies under this theme include:

Generative AI: Capable of generating new content, strategies, designs, and methods by learning from large repositories of source content. It is expected to impact content and product development, automation of human work, and enhancement of customer and employee experiences, reaching mainstream adoption in two to five years.
AI Simulation: Combines AI and simulation technologies to develop AI agents and the environments for their training, testing, and deployment.
Causal AI: Focuses on identifying and using cause-and-effect relationships, moving beyond correlation-based predictive models towards more autonomous AI systems.
Federated Machine Learning: Aims to train machine learning algorithms without explicitly sharing data samples, enhancing privacy and security.
Graph Data Science (GDS): Applies data science techniques to graph data structures for building predictive and prescriptive models.
Neuro-symbolic AI: Merges machine learning methods and symbolic systems for more robust and trustworthy AI models.
Reinforcement Learning (RL): A type of machine learning where the system learns through rewards and punishments.

DEVELOPER EXPERIENCE (DEVX)

This theme focuses on enhancing the interaction between developers and their tools, platforms, processes, and people. Key technologies include:

Value Stream Management Platform (VSMP): Optimises end-to-end product delivery and improves business outcomes, expected to reach mainstream adoption in two to five years.
AI-augmented Software Engineering: Uses AI and natural language processing to assist software engineers.
API-centric SaaS: Cloud application services primarily accessed through APIs.
GitOps: A closed-loop control system for cloud-native applications.
Internal Developer Portals: Enable self-service access to resources in complex, cloud-native development environments.
Open-source Program Office (OSPO): Manages strategies for using open-source software and data.

PERVASIVE CLOUD

This theme explores the evolution of cloud computing as a driver of business innovation. Key technologies include:

Industry Cloud Platforms: Combine SaaS, PaaS, and IaaS services into industry-relevant offerings, expected to reach mainstream adoption in five to ten years.
Augmented FinOps: Applies DevOps concepts to financial governance and optimisation.
Cloud Development Environments (CDEs): Provide remote access to cloud-hosted development environments.

Cloud Sustainability: Uses cloud services to achieve sustainability within various systems.
Cloud-native: Refers to services created to leverage cloud characteristics.
Cloud-out to Edge: Extends centrally managed cloud environments to edge environments.
WebAssembly (Wasm): A binary code format for secure, high-performance web applications.

HUMAN-CENTRIC SECURITY AND PRIVACY

This theme focuses on creating resilient organisations through human-centric security and privacy programs. Key technologies include:

AI Trust, Risk, and Security Management (AI TRiSM): Ensures AI model governance and data protection, expected to reach mainstream adoption in two to five years.
Cybersecurity Mesh Architecture (CSMA): Architecting distributed security controls for improved effectiveness.
Generative Cybersecurity AI: Generates security-related content and strategies.
Homomorphic Encryption (HE): Allows computations with encrypted data, enabling data sharing without compromising privacy.
Postquantum Cryptography (PQC): Secures against classical and quantum-computing attacks.

These technologies represent the forefront of innovation, offering transformative potential for businesses and society. However, their disruptive nature also brings risks, making it crucial for organisations to understand their potential use cases and paths to mainstream adoption.

SOURCE: Gartner® (November 2023)

MEET THE TEAM

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ABOUT DIGITAL ISLE OF MAN

OUR DELIVERY

Digital Isle of Man is focused on creating and delivering value to our stakeholders. We do this by taking the time to understand their needs and driving open and honest conversations to identify what they value, and what they need to succeed. We use feedback to propose solutions and to inform strategic direction which ensures that we deliver on our actions.

OUR RESPONSIBILITIES

Digital Isle of Man consider the following components when developing Strategy or Initiatives:

Product – Digital Isle of Man will become the central focal point for the sector's broad proposition, technical direction, strategy and vision input to Government.

Promotion – Digital Isle of Man will become the entity responsible for coordinating the promotion of the sector, on and off the Island, by having clear unique selling propositions (USPs) and a targeted marketing strategy and plan.

Policy input – Digital Isle of Man will assess, develop and propose ideas and initiatives to help the sector sustain and grow its proposition for the benefit of the broader economy. Localised policies, determined within the Department and not linked to government legislation, regulation or statutory requirements are within Digital Isle of Man's remit and powers for review and change.

OUR STRUCTURE

The Digital Isle of Man Strategic Partnership Model was created in 2019 with a focus on:

• Improving relationships with industry
• Facilitating and tackling barriers to business growth
• Attracting new businesses to the Isle of Man.

The model also plays an instrumental role in enabling job creation by supporting tech businesses across different sectors and helping to fulfil the demand for skilled workers.

GOVERNMENT SUPPORT

Digital Isle of Man works to highlight the range of business support schemes offered by the Department for Enterprise. These schemes offer funding, along with training and advisory services for businesses as they start, grow, and invest in the Isle of Man.

MONITORING & REVIEW

• Through our Annual Report we evaluate our success over the year across our digital initiatives, pinpointing opportunities, and future plans
• Digital Isle is Digital Isle of Man's on-Island flagship event which sees people from across the Island's digital industry come together to learn, share knowledge and feedback, network, and better understand developing trends, threats and opportunities within the sector
• We provide quarterly reports to the Economic Strategy Board and conduct a comprehensive review
• Through our Strategic Account Management Process we work side-by-side with industry to:

    • Resolve issues which impact business growth
    • Share knowledge and plans for the strategic direction of the Island
    • Ensure that the voice of industry is heard and delivered to the relevant area of government

• We work collaboratively with our supporting sectors on-Island to manage opportunities through our Business Development pipeline. This involves tracking opportunities that lead to direct and indirect economic growth and analysing the data that's collected to identify trends and inform future focus and decisions.

OUR PARTNERSHIPS

Digital Isle of Man works with a wide range of stakeholders across the Island's business ecosystem to help grow and strengthen the Isle of Man's digital economy, with the goal of achieving mutually beneficial results.

This collaborative way of working across the public and private sectors helps our ecosystem to feed into the strategic direction of the Isle of Man. We consider businesses' aspirations, needs and concerns and make sure that these are considered when solutions and services to support business growth are suggested.

Here's a summary of our business partnerships:

ON-ISLAND TECHNOLOGY BUSINESSES

We work closely with local digital businesses through our Strategic Account Management Programme to resolve issues and barriers to growth. The programme also acts as a channel in which tech businesses can share their needs, feedback, and concerns to government.

SUPPORTING BUSINESSES

The Island's service providers form the backbone of our digital ecosystem, so it is imperative that we support them in going to market with the Isle of Man brand. This is accomplished through a collaborative business development approach, working together to secure opportunities that advance the Island's digital economy.

INDUSTRY BODIES & BOARDS

We partner with industry bodies including the Isle of Man Chamber of Commerce and the eGaming Strategic Advisory Board to collect feedback, validate concepts concerning the strategic direction of our Island's digital initiatives, and address broader factors affecting the success of our digital economy.

GOVERNMENT AGENCIES & DEPARTMENTS

We act as a conduit between other areas of government and industry to ensure a two-way flow of information. This involves relaying industry needs and concerns to the appropriate government departments and effectively communicating government information to the business community. We also work collaboratively on overarching strategies such as the Workforce Strategy and plans for Digital Government.

OTHER UK-FOCUSED CROWN DEPENDENCIES AND OVERSEES TERRITORIES (SPECIFICALLY JERSEY, GUERNSEY & GIBRALTAR)

In a complex global environment, there are an increasing number of problems and solutions, which hold common ground with similarly structured jurisdictions. We need to actively explore those items where a common approach has the advantage of scale, efficiency, and greater global recognition.

DIGITAL
ISLE OF MAN

CONCLUSION

As we conclude the Digital Isle of Man 2024 Programme, the past year has seen significant strides in advancing the digital landscape of the Isle of Man. The Island's commitment to a digital-first economy has seen many existing digital sectors flourish and given emerging industries the opportunity to grow. However, there is a need for uniform progression across all digital aspects.

The global economic environment is increasingly shaped by the digital transformation that permeates every facet of our lives. We find ourselves at a critical juncture where the goal is to embed digital competency throughout our community and economy. It's crucial to anticipate and address the barriers and challenges that might impede our progress, seeking innovative solutions. Digital Isle of Man is committed to providing guidance and insight in shaping practical solutions, cultivating resilience, and nurturing innovative capabilities to position the Isle of Man as a pioneering jurisdiction in this digital era.

This journey presents an exciting yet demanding challenge, and our aim is to establish a prominent presence on the global stage. We strive to leverage our distinctive approach to business, sustainability, and ethics. By employing unique legislation, regulation, and innovation, we aspire to carve out a distinct identity and voice that resonates globally.

As we look to the near future, our dedicated efforts will focus on the development and support of a burgeoning AI sector on the Island, enhancing productivity across the local economy. Furthermore, the creation of a five-year Digital Infrastructure Strategy will set the scene for us to establish the solid, fertile foundations required to position the Isle of Man as an international tech hub.

With a resolute commitment to innovation, collaboration, and sustainable growth, we stand prepared to confront the opportunities and challenges on the horizon.

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