



Statutory Document No. 728/07

## **THE ONLINE GAMBLING REGULATION ACT 2001**

### **THE ONLINE GAMBLING (TRANSITIONAL ARRANGEMENTS)**

#### **REGULATIONS 2007**

*Laid before Tynwald 16<sup>th</sup> October 2007*

*Coming into operation 31<sup>st</sup> August 2007*

In exercise of the powers conferred on the Department of Home Affairs by section 21(a) of the Online Gambling Regulation Act 2001<sup>1</sup>, and of all other enabling powers the following Regulations are hereby made:-

#### **1. Citation, Commencement and Interpretation**

(1) These Regulations may be cited as the Online Gambling (Transitional Arrangements) Regulations 2007 and shall come into operation on the 31 August 2007.

(2) In these Regulations:-

“Act” means the Online Gambling Regulation Act 2001, as amended;

“Authorised Application Form” means a form issued by the Commissioners for an applicant for a Transitional Licence to seek approval of

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the Commissioners to become a Transitional Licence Holder;

“Commissioners” means the same as defined in the Act;

“Off Island Gambling Facilities” means any computer or other device on or by means of which Online Gambling and/or Online Services is conducted, which is not located on the Isle of Man;

“Online Gambling” means the same as defined in the Act;

“Online Services” means online gambling and/or online gaming and/or an online lottery which is the same or similar to Online Gambling;

“Transitional Arrangements” means those specified in Regulations 5 and 6 and those provided for in Transitional Licence Conditions;

“Transitional Licence Conditions” means those specific conditions that are applied to a Transitional Licence during the period of the Transitional Licence;

“Transitional Licence” means a licence issued under the Act but excluding the right for a party to conduct any Online Gambling in a live environment under the terms of section 1(2)(c) of the Act;

“Transitional Licence Holder” means the holder of a Transitional Licence who is subject to Transitional Licence Conditions and these Regulations.

## **2. Provision of Regulations**

- (1) These Regulations are made pursuant to section 21(a) of the Act and provide for the requirements and Transitional Licence Conditions with which Transitional Licence Holders must comply during the process of relocating Off Island Gambling Facilities operated by a Transitional Licence Holder to the Isle of Man.

## **3. Application to become a Transitional Licence Holder**

- (1) If the application for a Transitional Licence is granted to a party that has satisfactorily provided the Commissioners with the information and the Authorised Application Form under Regulation 3(2), the Commissioners may authorise by notice in writing that these Regulations apply to such, which party shall thereafter be a Transitional Licence Holder.
- (2) The Authorised Application Form must specify which Off Island Gambling Facilities will be relocated to the Isle of Man, and be accompanied by a certified copy of the licence applicable to such Off Island Gambling Facilities in the name of the applicant (or any subsidiary or parent entity in the corporate group of which it forms a part) and the regulations, conditions and statutory provisions applicable to such licence, provided that the Commissioners may seek such additional information as it may reasonably require to determine whether these Regulations or Transitional Licence Conditions are appropriate for any specific application. The Act shall apply to any activities conducted by the Transitional Licence Holder that fall within the meaning of Online Gambling.
- (3) The Commissioners may impose Transitional Licence Conditions as a condition to issuing an authorisation under these Regulations and granting the Transitional Licence.

#### **4. Powers to Suspend Licence Conditions**

- (1) The Commissioners may on application by the Transitional Licence Holder suspend any Transitional Licence Conditions during the period of the authorisation under these Regulations as is deemed necessary to assist the Transitional Licence Holder to continue to operate via the Off Island Gambling Facilities whilst in the process of relocating its Online Services to the Isle of Man, provided that to do so would not undermine the integrity and overall aims of the Act.
- (2) The Commissioners on application by the Transitional Licence Holder may suspend the application of regulations made under the Act, that would otherwise apply to the Transitional Licence Holder, for the duration of the authorisation where it is deemed that such regulations are inappropriate for the conduct of business being undertaken during the process of relocating its Online Services to the Isle of Man, provided that to do so would not undermine the integrity and overall aims of the Act.

#### **5. Obligations of Transitional Licence Holders**

- (1) A Transitional Licence Holder may only conduct Online Gambling as detailed in its Transitional Licence.
- (2) Notwithstanding the terms of these Regulations, hosting facilities, bandwidth capacity, back up sites or resilience testing necessary to be conducted prior to commencing operations in the Isle of Man, can be conducted by the Transitional Licence Holder provided, first, these are limited to technology capacity and test transactions only and do not involve existing or potential customers of the Transitional Licence Holder and second, prior written notification must be provided to the Commissioners stating when such testing is to take place and the purpose of such testing.

#### **6. Duty Payable**

- (1) No duty is payable to the Isle of Man Government as a result of any transactions taking place as defined in Regulation 5 except where a Transitional Licence Condition in relation to duty is imposed pursuant to Regulation 3.

## **7. Revocation**

The Online Gambling (Transitional Arrangements) Regulations 2006<sup>2</sup> are hereby revoked.

## **8. Penalties**

A Transitional Licence Holder authorised under these Regulations who fails to comply with conditions under these Regulations will be guilty of an offence and liable on summary conviction to a fine not exceeding £5,000.

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Minister for Home Affairs

## EXPLANATORY NOTE

(This note is not part of the Regulations.)

These Regulations, made under the Online Gambling Regulation Act 2001, provide for the rules to permit Transitional Licence Holders to operate under transitional arrangements for specific periods so they may continue to operate their business regulated from the original jurisdiction under a Transitional Licence issued in the Isle of Man to allow for the smooth transfer of servers to the Isle of Man.