

ISLE OF MAN GAMBLING SUPERVISION COMMISSION

Guidance
Integrity Controls – Licensed Betting Offices
Version 1:1

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Glossary

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|----------------------------|--|
| Application | Application for a new, variation or renewal of a licence |
| Approved role | Roles which require formal approval by the Commission |
| BMP / a permit | Bookmaker's Permit |
| BOL / a licence | Betting Office Licence |
| CRM | Customer Relationship Management system |
| DBS | The Disclosure and Barring Service |
| DD | Due Diligence – investigations carried out before entering into a business relationship |
| DO | Designated Official |
| F&P | Fitness & Propriety |
| GBL | Gaming, Betting and Lotteries Act 1988 |
| GDPR | The General Data Protection Legislation 2018 |
| GSC | The Gambling Supervision Commission |
| GSA | The Gambling Supervision Act |
| KYC | Know-Your-Customer – process of identifying suitability and risk of business relationships |
| Licence Holder | The holder of a licence issued under Gaming, Betting and Lotteries Act 1988 |
| Licence holder | Holder of a betting office licence |
| Non-approved role | Roles which do not require formal approval by the Commission but GSC requires notification |
| PDF | Personal Declaration Form |
| PEPs | Politically Exposed Persons |
| Permit holder | Holder of a bookmaker's permit |
| SPDF | Simplified Personal Declaration Form |
| The AML/CFT Code, the Code | The Gambling (Anti-Money Laundering and Countering the Financing of Terrorism) Code 2019 |
| The Company | The Company applying for or renewing a licence |

Section 1

The Gambling Supervision Commission (GSC)

The GSC is an independent statutory board established in 1962 and comprises the Inspectorate and the Commission. The Inspectorate is made up of a team of Inspectors who manage a portfolio of licence holders. The Inspectorate is managed by the Chief Executive.

The Commission comprises of not less than five independent members of the public which have been appointed by the Isle of Man Treasury. The Commission sits once a month to consider regulatory matters and to consider licence applications, variations and transfers.

Introduction

This guidance document is issued by the GSC to set out the criteria that normally applies in considering the F&P of persons applying for a Bookmaker's Permit (BMP) and Licensed Betting Office Licence (BOL).

This guidance also provides information on the GSC's expectations and processes involved in applying for Commission approval into certain roles as prescribed by the Gaming, Betting and Lotteries Act 1988 (GBL).

The GSC issues guidance for different licence types under its remit. Guidance is not law, however where a person follows guidance, this would tend to indicate compliance with legislative provisions.

It should be noted:

- The information required or requested will vary dependant on whether the application relates to a BMP or BOL or an approved role in the Company;
- Not all of the data sets detailed below will be relevant in all cases; and
- The GSC may request further information to clarify its understanding or obligations under GBL.

The GSC understands its responsibility to comply with Isle of Man data protection legislation and processes personal information within the boundaries of GDPR.

The GSC ensures that processing is fair; only processes what is required for it to satisfy its legal obligations; and is transparent to data subjects in explaining the purpose for its processing.

With an application for, variation or renewal of a BMP or BOL, the GSC will require supporting information. This guidance is designed to explain the purpose of the information requested, what it is used for and whether it is shared with third-parties.

Further information regarding the processing activities of the GSC can be found within the [Privacy Notice](#).

Section 2

Fitness and Propriety (F&P)

Why does the GSC consider the F&P of individuals applying for a BMP

Regulatory legislation requires that the Commission be satisfied as to the F&P of persons in certain roles, detailed below:

| Role | GBL Legislative reference |
|---|----------------------------------|
| Persons applying for a BMP on behalf of a body corporate (referred to in this guidance as the Company Official) | Schedule 1 paragraph 10(2)(a) |
| A company Director | Schedule 1 paragraph 15 |
| Shareholders (persons acquiring majority shares) | Schedule 1 paragraph 15 |

Who does F&P considerations apply to when applying for a BMP?

The requirements to satisfy the GSC of F&P is dependent on the nature of the role the person holds or is proposed to hold. Information is not requested by the GSC in a blanket form.

The roles detailed in the table above are in relation to the BMP and these roles require F&P considerations. There are other roles involved in Licensed Bookmaking which are in relation to a BOL, specifically the Designated Official and Money Laundering Reporting Officer. These two roles require lesser F&P considerations to that of the Company Officials, Directors and Shareholders.

Information is collected for each role in different ways, with each role requiring specific forms and supporting documentation. This is due to the integrity requirements between role types.

Further information on roles is explained further in this guidance.

What are the implications of not being a person of F&P?

Where a person is applying to the Commission for an approved role, the Commission may object to the appointment if they are not satisfied as to the person's F&P.

Section 3

Objectives of the GSC and legal obligations

The regulatory objectives of the GSC are prescribed within Section 3 of GSA, notably to:

- Ensure that gambling is conducted in a fair and open way;
- Protect children and other vulnerable persons from being harmed or exploited by gambling; and
- Prevent gambling from being a source of crime or disorder; associated with crime or disorder; or used to support crime.

The GSC is responsible for the granting of a BMP and BOL, as detailed in the table below:

| Legal obligation | GBL reference |
|---|-------------------------------|
| It is unlawful for any persons to use or permit any premises for betting transactions unless where the premises is a licensed betting office and is the holder of a <i>Betting Office Licence</i> . | Sections 11(1) and 11(2)(a) |
| It shall be unlawful for any persons to carry on the business as a bookmaker unless they hold a <i>Bookmakers Permit</i> granted by the Commission. | Section 14(1) |
| The Commission must be satisfied that any person applying for a <i>Bookmaker's Permit</i> is a fit and proper person. | Schedule 1 paragraph 10(2)(a) |

Section 4

Bookmaker's Permits (BMP)

Application or renewal of a BMP

A BMP is a permit to operate licensed betting offices; often referred to as a 'bookies'. The permit is held by the body corporate.

To satisfy the GSC's legal obligations the applicant Company is required to complete an 'Application for a Bookmaker Permit'. This form collects relevant information regarding the body corporate such as name, registered address, contact details and information regarding its share capital, including share type, number, value and name of each holder.

The information provided is used for the GSC to understand the structure of the Company and to ascertain which persons require Commission approval.

GBL Schedule 1 paragraph 15 specifies that where the holder of a permit is a body corporate, no person shall be appointed to the role of Director without the approval of the Commission – see section 'Approved Roles' below for further details.

GBL Schedule 1 paragraph 10(2)(a) specifies that the Commission must be satisfied that the applicant of a BMP is a fit and proper person. This role is referred to in this guidance and forms as 'Company Official' and will usually be the Director.

See table 1 below for roles requirements and considerations:

Table 1

| Approved Role | Legal obligation | Legislative reference | GSC form and F&P requirement |
|---|--|-------------------------------|---|
| Company Official (CO) - Application for BMP | The Commission shall not grant a permit unless it is satisfied that the person making the applicant is a fit and proper person | Schedule 1 paragraph 10(2)(a) | PDF form F&P considerations |
| Director - Application for BMP | The Commission shall not grant a permit unless it is satisfied that the person making the applicant is a fit and proper person | Schedule 1 paragraph 10(2)(a) | PDF form F&P considerations |

| | | | |
|--------------------------------------|--|-------------------------|-------------------------|
| Shareholders – acquisition of shares | Any acquisition of majority shares requires approval of the Commission | Schedule 1 paragraph 15 | SPDF form F&P - none |
|--------------------------------------|--|-------------------------|-------------------------|

To allow the GSC to be satisfied as to the F&P of persons applying for the roles noted above, the GSC will require certain information in order to make its considerations. Further information is detailed in sections 6 and 7.

Section 5

Betting Office Licence (BOL)

Application and renewal of a BOL

A BOL is a licence enabling the holder of a BMP to operate a premises as a bookmaker, and as such authorises betting transactions to take place with other persons on the named premises.

To satisfy the GSC's legal obligation, during the application process the applicant Company is required to complete an 'Application for a Betting Office Licence'. This form collects information such as the name, registered address, contact details and Officers of the applicant Company.

Section 17 of GBL specifies that where an application for a BOL is made by a body corporate, it will furnish to GSC with the details of the DO and Manager, of which the DO must be approved by the Commission.

Unlike the roles details above for the application of a BMP, however, there are no legal requirements for F&P considerations in respect of the applicant of a BOL.

See table 2 below for role requirements and considerations:

Table 2

| Approved Role | Legal obligation | Legislative reference | GSC form and F&P requirement |
|----------------------|--|---|---|
| Designated Official | When lodging an application, the body corporate shall furnish the Commission with the name and description of the manager of the business or other | Sections 17(2)(a) and (b) Section (3) – approval by the Commission | SPDF form F&P - 3 character references |

| | | | |
|---------|---|---------------------------|---|
| | <p>official designated to it.</p> <p>The Designated Official shall appear before the Commission for approval.</p> | | |
| Manager | When lodging an application, the body corporate shall furnish the Commission with the name and description of the manager of the business or other official designated to it. | Sections 17(2)(a) and (b) | SPDF form F&P - 3 character references |

Section 6

Forms and F&P requirements

As detailed in sections 4 and 5, when applying for a BMP or BOL there are certain roles that will require Commission approval. Tables 1 and 2 above detail the role, form and F&P requirements. Tables 3 and 4 below detail the supporting documentation required for each form type to allow the GSC to consider the F&P of each role applicant:

Table 3

| | F&P investigations | Purpose |
|-----------------|-------------------------------|--|
| PDF form | Third-party open-source | Open-source adverse media searches |
| | DBS certificate | To consider previous convictions relevant to the gambling sector or otherwise as the GSC may determine |
| | Photographic ID verification | Verify the identity of the person – KYC |
| | Address verification | Verify the identity of the person – KYC |

| | | |
|--|---------------------------|---|
| | Financial circumstance | To ensure a person is fit a proper to operate a BMP |
| | CV and employment history | To determine the competence of the applicant person |

Table 4

| | F&P investigations | Purpose |
|-------------|-------------------------------|---|
| SPDF | Third-party open-source | Open-source adverse media searches |
| | Photographic ID verification | Verify the identity of the person – KYC |
| | Address verification | Verify the identity of the person – KYC |
| | CV and employment history | To determine the competence of the applicant person |

Section 7

Information requested during consideration of F&P

The following section provides information regarding the data requested within the aforementioned GSC forms, together with the lawful basis and purpose for doing so and what the information is used for.

Some of the investigations undertaken by the GSC may require personal information to be shared with third-party agencies. Further information can be found in the on third-party agencies section of this document.

Name address and contact details (including aliases and previous names)

This information is to assist in the identification, verification and F&P investigation processes (KYC and DD) undertaken by the GSC and will also allow the GSC to contact the applicant person throughout the relationship.

Some of the investigations the GSC performs may require personal information to be shared with third-party agencies. Further information can be found in the on third-party agencies section of this document.

Gender, place of birth and nationality

The gender of the applicant allows the GSC to address the person appropriately. It may also be used during the identification process, should a bad actor attempt to impersonate the applicant person(s).

Information regarding place of birth and nationality allows the GSC to ensure compliance with any current sanctions.

Address information, current and previous

Information regarding a person's address is used during the integrity investigation process. It also allows the GSC to ensure compliance with any current sanctions.

Previous conviction information

This information is requested so that the Commission can be satisfied as to the F&P of persons applying for a BOL or BMP in accordance with Schedule 1 of GBL.

Businesses conducting gambling which are licensed and supervised by the GSC, are noted as regulated occupations as defined under Schedule 1, Part 3(2) of the Rehabilitation of Offenders (Exceptions) Order 2018. The GSC will therefore request information regarding spent convictions for the purpose of satisfying its legal obligations, notably that the permit or licence is held by a person of satisfactory F&P.

The PDF also provides an opportunity for applicant persons to provide information regarding pending prosecutions and investigations, barring or disqualification by a professional body or industry regulators. If an applicant would like to discuss this further, please contact the GSC.

Declaring a conviction is not an automatic bar to licensing, all matters are assessed individually with consideration given to risk, the nature of the Company and the role to be approved.

If an applicant declares a conviction, whether spent or not, the GSC will require further information in a separate communication. It is likely that an overview of the circumstances will be required for the GSC to consider if this is relevant to the application. If considered relevant, information regarding the conviction will be retained on the person's file on the GSC secure network.

Further information on the process of DBS certificates can be located in the DBS section of this guidance.

If the Commission requires further information relating to convictions, the information will only be used for the purpose it was originally collected for. The GSC will retain this information for the life time of the BOL or for the duration of the person's involvement with the licence holder, plus 6 years.

Further information regarding the GSC Retention and Destruction Schedule, further details can be found on the GSC [Privacy Notice](#).

Financial circumstances (general and personal)

The Commission has an obligation to be satisfied as to the F&P of persons applying for a BMP.

To satisfy its obligation, the GSC will request certain information such as:

- Details of bankruptcy, liquidation, receivership, insolvency;
- Agreements with creditors or defaults of mortgage, loan, credit or store cards;
- Details of Individual Voluntary Agreements;
- County Court Judgements; and
- Penalty or enforcement action by any government agency.

These questions will be inclusive of any jurisdiction and not exclusively the Isle of Man. The GSC may request further information as required in order to satisfy the Commission as to the F&P of the applicant person. The GSC will only request further information that is proportionate to that particular circumstance.

Declaring matters is not an automatic bar to licensing, all matters are assessed on a case-by-case basis with consideration to risk, the nature of the Company and the role to be approved.

If a matter is declared the GSC will require further information in separate communication. It is likely that an overview of the circumstances will be required for the GSC to consider whether the declaration is relevant to the application. If considered relevant, details will be retained on the GSC secure network.

If the Commission requires documents to be provided which contain personal banking information, this will only be used by the Commission for the purpose it was originally collected for. The GSC will retain this information for the life time of the licence plus 6 years. This is detailed in the GSC Retention and Destruction Schedule, further details can be found on the GSC [Privacy Notice](#).

Curriculum vitae (CV)

Each applicant's CV will be reviewed to allow the GSC to consider competence for the applied role. There are many variables of determining competence, this not just having experience in the gambling sector. The information provided will only be used during the application process and not used or recorded for any other purpose.

If during the consideration of competence, the GSC requires further information, such as confirmation of professional subscription, this will be requested separately and will be proportionate to the nature of the role and the licence type being considered.

All of the information detailed in this section is stored on the Isle of Man Government secure network.

Section 8

Third-party agencies – what do we mean

In order to satisfy its legal obligations, the GSC is required to conduct investigations that it does not conduct itself as part of its normal business, and as such will utilise the services of third-party agencies.

The agencies referred to below will each provide a service within the GSC’s due diligence strategy:

The Disclosure and Barring Service (DBS)

This is the service used to assist the GSC to make safe on-boarding decisions. DBS checks are commonly referred to as a ‘criminal record check’. The GSC will request that approved roles relevant to the application for a BMP will be required to provide a DBS certificate during the licensing and application process.

The GSC will never retain an original or copy of a DBS certificate; it will be used to confirm whether a DBS certificate confirms either a ‘trace’ or ‘no trace’ and will be recorded as such on the GSC’s CRM system ‘Atlas’. Trace meaning a conviction was provided on the certificate.

If considered relevant, details of the conviction will be recorded on the person’s file and is held securely on the Isle of Man Government network. If not considered relevant to the application or the role, no record of the conviction will be made.

The GSC does not request the original certificate, however if this is received, the relevant information will be recorded and the original certificate will be returned to the applicant person. At no point is a copy of the certificate saved or shared. Whilst awaiting to be returned the certificate will be stored in the GSC locked and secured cabinet with access restricted to the Operations Support Team.

Risk management databases

The GSC does not request the original certificate, however if this is received, the relevant information will be recorded and the original certificate will be returned to the applicant person. At no point is a copy of the certificate saved or shared. Whilst awaiting to be returned the certificate will be stored in the GSC locked and secured cabinet with access restricted to the Operations Support Team:

| Provider | Purpose |
|-----------------|--|
| World Check | Provides a database of PEPs and heightened-risk individuals. |

| | |
|------------------|---|
| KYC6 | Provides a service for document verification, open source and adverse media searches. |
| Lexisnexis | Provides open-source adverse media searches. |
| Document Checker | Provides a database to review document authenticity. |

Each of the providers detailed in the table above help the GSC to identify and manage risk. The GSC maintains up-to-date data sharing agreements with each of these agencies.

Further information regarding the relative data-sharing agreements can be requested by contacting the GSC Data Protection Officer – please see the data protection section of this guidance document for the necessary contact details.

Section 9

Causes for concern

The GSC considers F&P investigations as vital for its statutory obligations, not only for individual persons but also the applicant permit or licence holder.

The below list provides examples of matters that will cause concern to the GSC regarding a person's F&P, and may cause delay or refusal of an application. This is not an exhaustive list and other matters may also be considered:

- ❖ Withholding information from the GSC;
- ❖ Providing false or misleading information to the GSC;
- ❖ Serious or repeat failings of GSC or equivalent off-Island requirements;
- ❖ Allegation, charge or conviction of a criminal offence;
- ❖ Evidence of association with criminal elements;
- ❖ Criticism made by a court, tribunal or enquiry;
- ❖ Settlements (including voluntary settlements and settlements in lieu of proceedings);
- ❖ Negative information received from law enforcement or other competent authorities;
- ❖ A disqualification or undertaking under the Company Officers Disqualification Act or equivalent off-Island legislation;
- ❖ Disciplinary or expulsion from a professional body or previous employer; and
- ❖ Evidence of engaging in illegal, deceitful, oppressive or improper business practices.

Section 10

Consideration of causes for concern

There are considerable implications of an individual not meeting the F&P considerations. The GSC adopts a balanced approach to its decision making based on a number of factors.

F&P is demonstrated through an individual's personal and professional conduct, and evidence provided to support their character. In assessing F&P, past actions or conduct that could indicate a lack of integrity, such as those that are dishonest or unethical, will require further consideration.

The GSC will consider identified causes for concern and make a determination regarding a person's F&P. The possible outcomes are that the GSC -

- ❖ is satisfied regarding F&P and appointment may take place/continue;
- ❖ is not satisfied and the appointment may not take place/continue; and
- ❖ has some concerns regarding a person's integrity and seeks to mitigate any perceived risk.

The following are factors for the GSC's consideration when making an F&P assessment–

1. Honesty and cooperation

The GSC strives for an open and honest relationship with the sector. Permit and licence holders, applicants or individuals are urged to proactively bring matters that may be of concern to the GSC's attention at the earliest opportunity and to cooperate in a timely and honest manner regarding any enquiries. Discovery of matters that were known but not disclosed will be taken seriously.

2. The reliability of the source of information

Information can come from a wide range of sources with varying credibility. The presence of adverse media is viewed neutrally by the GSC. Each point detected by the GSC will be compared against the declarations that people have made and the GSC will consider all supporting information that an applicant person provides.

The GSC will expect that permit or licence holders, applicants or individuals will have looked for adverse media in anticipation of the application, and have supplied their explanation, including any efforts at correction they have made.

3. The seriousness of the matter

Consideration will be given to whether the information can be categorised as rumour, allegation, charge or conviction (or equivalent for non-criminal matters).

Association with known miscreants is not an automatic bar to licensing, but the relationship must be exonerated i.e. be shown to be incidental to any wrong-doing and formal or informal influence.

Evidence of evasion of justice, where a competent authority has pronounced a sanction and the subject has fled, is highly prejudicial to the GSC in considering that a person is of integrity.

Integrity can also include whether a company pays taxes as expected, or whether it is registered as a bona fide business.

Multiple causes for concern are considered more seriously than a single instance.

4. When the matter occurred

Consideration will be given to the length of time that has elapsed since the matter occurred, including, in relation to criminality, whether a conviction is spent or unspent.

Matters that occurred in a person's youth or in a "previous life", prior to intervention or rehabilitation that caused a change in that person's outlook, would be less concerning.

5. Relevance to the licence holder and/or role

The GSC will consider all relevant circumstances on a case-by-case basis. The nature of any cause for concern and its relevance to the permit, licence or proposed role of the person will also be considered by the GSC as part of its integrity investigations.

For example, a conviction for a driving offence or public order offence would be considered less relevant than a conviction for fraud or a drugs offence.

Individuals must disclose convictions, whether considered spent or unspent within the relevant forms and to the permit, licence or role application.

All individuals proposed to hold approved roles are expected to ensure that the regulated business is conducted with integrity, by their conduct; their involvement in setting policies and procedures; and by providing appropriate supervision and training to others within the regulated activity.

Failure to do so, or failure to be open and honest with the GSC, will be considered relevant to an assessment of an individual's or company's integrity. This includes the failure to complete a form or supply information required in an honest manner, or the deliberate or negligent omission of any relevant information.

Section 11

Decision-making process

F&P considerations and investigations under GBL are performed by the GSC's Inspectorate who are employees of the GSC. Permit and licensing decisions are made by the Commission during its monthly meeting.

If the Inspectorate declines to recommend a permit or licence issuance be approved at a Commission hearing, the applicant can nonetheless request that the application be heard by the Commission.

In the event of negative information being found within the F&P investigations, the Inspectorate will provide a case to the Commission stating their reason for not recommending the approval, for example that the appointment would carry an unacceptable risk.

The applicant, however, will still be provided with an opportunity to present their case to the Commission who is independent from the Inspectorate. If successful, the Inspectorate will be over-ruled and the appointment or issuance will proceed as normal from that point forward, subject to any additional measures or controls deemed appropriate.

Section 12

Right of appeal

The GSC considers itself fair-minded and is prepared to service appeals to the Gambling Appeals Tribunal regarding licensing decisions made by the Commission in accordance with Section 7 of GAA.

Outside of this formal appeals process, complaints may be made in writing to the GSC's Chief Executive Officer.

Section 13

Data Protection

Consent

In accordance with Article 6 of the General Data (Application of GDPR) Order 2018 (GDPR), the GSC is processing personal data on the following basis:

- 1(c) processing is necessary for compliance with a legal obligation to which the GSC as a controller is subject; and

- 1(e) processing is necessary for the performance of a public task carried out in the public interest.

Sharing

As noted within this guidance document the GSC will share personal information with selected third-parties where it is deemed necessary to do so in order that the GSC may satisfy its obligations under Isle of Man gambling legislation.

For further information about data subjects rights please refer to the GSC’s Privacy Notice or alternatively please contact the GSC’s Data Protection Officer, details are provided below.

Retention and Destruction

All information and categories of personal data are listed on the GSC Retention and Destruction schedule. This document details the type of information the GSC collects, the purpose for collection of the data including the lawful basis; the retention period; and whether there is any selection by the Public Records Office. This schedule has been designed to ensure the GSC’s compliance with GDPR.

All personal information referenced within this guidance document is stored on the Isle of Man Government secure network and CRM system Atlas.

All information is only used for the purpose it was collected for.

For further details regarding retention periods, or to request a copy of the GSC’s Retention and Destruction Schedule, please contact the GSC’s Data Protection Officer on the details below.

Data Protection Officer and registration details

| | | |
|--------------------------|----------------|--|
| Data Protection Officer | Kristy Maxwell | DPO-GSC@gov.im |
| Registered Address | | Gambling Supervision Commission, St Georges Court, Myrtle Street, Douglas. IM1 1ED |
| Isle of Man registration | | R002347 |
| Privacy Notice | | Privacy Notice |