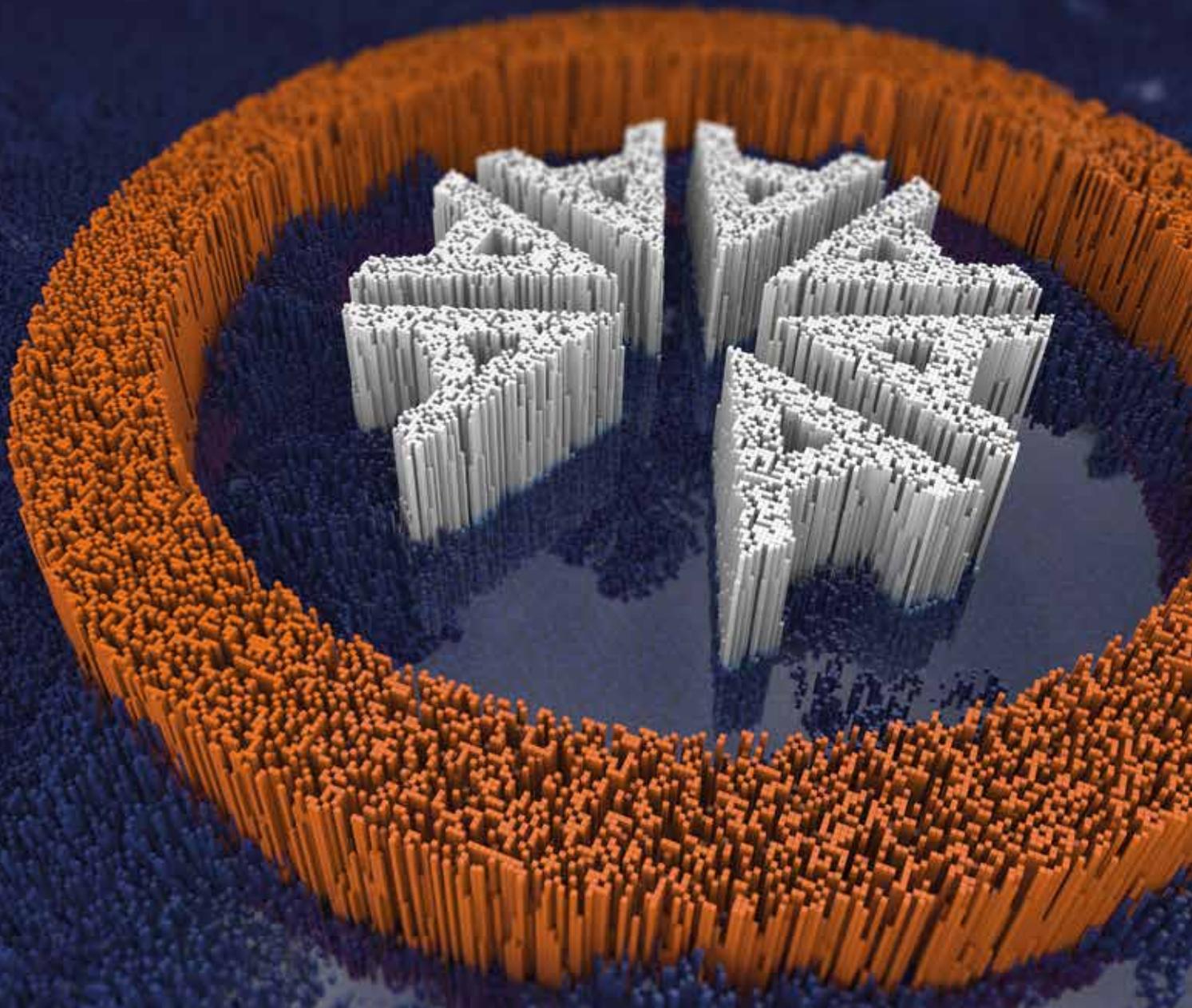


ACCESS NEW MARKETS, REACH YOUR POTENTIAL



eFocused

alderneygambling.com



The Alderney Advantage

What makes Alderney a World Leader in eGambling regulation?



alderneygambling.com

PO Box 1015, Alderney, British Channel Islands, United Kingdom GY9 3HT

Phone: +44 (0)7990 015888 **Email:** info@alderneygambling.com



Contents

Introduction	04
Alderney at a glance	05
Licensing with Alderney	06
Jurisdictions comparison	07
Interview with AGCC Executive Director, Jorn Starck	08
Industry growth	10
Asian Agency Model	12
Alderney under the microscope	13



Welcome to eFocused

Licensing and regulation shouldn't be seen as a headache for online gambling businesses. Instead, it should be seen as an opportunity to ensure they have the right framework in place to fire on all cylinders, to allow them to drive growth, to enter new and emerging markets, to launch innovative, market leading products, and to secure long-term success in a sustainable manner.

The Alderney Gambling Control Commission (AGCC) has built a formidable reputation over the past 17 years as one of the most reputable and trusted online gambling regulators in the world. It has fine-tuned its framework so that it is robust yet flexible, ensuring it keeps pace with the rapidly changing landscape of the industry while still upholding internationally-recognised gold standards.

The AGCC's knowledge and experience allows it to take a risk-based approach to licensing. This sets the AGCC apart from other jurisdictions who many not have the confidence and experience to ensure their licensees remain compliant with the requirements of the sector by only applying the regulations relevant to their business models.

This means operators and suppliers are not tied up in knots by over-regulation, and can remain lean, mean, and primed for growth. This is particularly important for those entering new markets where rules and regulations can lack clarity. The AGCC's approach to licensing means operators and suppliers can rest assured that they are running their businesses at the highest level, regardless of where in the world that may be.

Alderney works hand-in-hand with its licensees through their personal relationship manager, to fully understand their business model, the direction it is heading, and what challenges and hurdles need to be overcome to drive growth.

So, if you would like to talk more about your licensing requirements and the opportunities available to you by working with the AGCC, I'd be delighted to talk to you at any time. Please feel free to call or email to start the conversation.

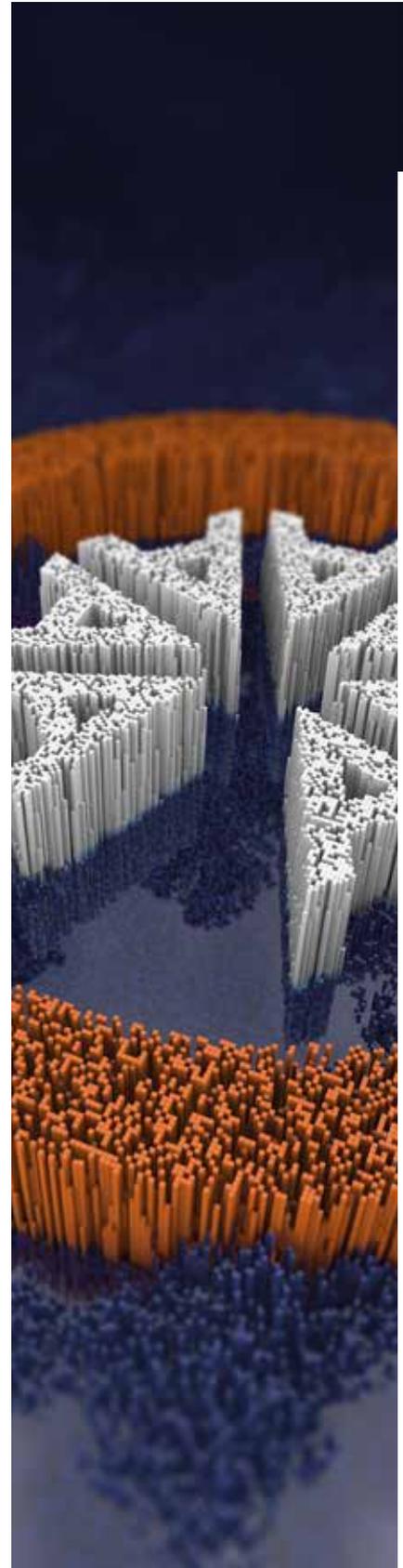


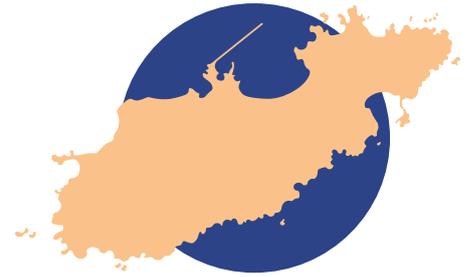
Susan O'Leary

CEO - Alderney eGambling

T +44 (0) 7990 015888

E susan@alderneygambling.com





Why Alderney?



Global

A recognised and respected Licence to cover eGambling operations worldwide*



Well Connected

The most MOUs with regulators and governments worldwide, widening our geographic reach daily



Flexible

A straightforward licensing regime adaptable to ALL types of gambling activity



Innovative

A risk-based approach to all aspects of licensing, easing the burden for licensees and suppliers



Progressive

An active member of the IAGR, GREF and Multi Jurisdictional Testing Framework working party



Endorsed

Excellent assessment from Moneyval on the AGCC's approach to AML



Cutting Edge

Home to award winning data centres and cloud based storage providers



Supportive

A professional relationship manager appointed to each licensee to support and advise



Experienced

17 years' experience of the eGambling Industry



Beneficial

0% - Gaming Duty payable
0% - Corporate Tax payable
0% - VAT payable



Efficient

12 weeks average processing time for a Licence application to be approved**



Accessible

Call or email us right now to hear how an Alderney Licence can work for you

*Where it is legal to do so. **Providing application is complete and information is provided promptly.



Alderney's world renowned licensing regime

The activity of your business will determine the kind of licence required from Alderney. Our modular approach to regulation has not only simplified the requirements for operators, but has ensured longevity of the regulation in an ever evolving marketplace.

Fundamentally, our licensing regime separates the two distinct functions of eGambling. A Category 1 Licence (B2C) covers all aspects of player management and the Category 2 Licence (B2B) covers all aspects of effecting the gambling transaction, providing the games and betting activities.

Category 1 Licence Business to Customer

Registering, verifying and contracting with the customer and managing player funds.

Once player verification has been completed, the player can be offered activities from either a Category 2 licensed platform in Alderney, or any other platform licensed by a competent authority. Operators are free to build up their own portfolio of games and activities.

Category 1 Associate Certificate Business to Customer (outside of Alderney)

Registering, verifying and contracting with the customer and managing player funds from a non Alderney based entity. This is the foreign based equivalent of a Category 1 Licence.

Category 2 Licence Business to Business

Effecting the gambling transaction including operational management of a gambling platform located in an approved hosting centre in Alderney or Guernsey.

Any number and type of gambling activity can be approved onto a single Category 2 Licence. Alderney has the widest definition of gambling and gaming and can approve any activity from the traditional to the contemporary and innovative.

Category 2 Associate Certificate Business to Business (outside of Alderney)

Effecting the gambling transaction including operational management of a gambling platform located outside of Alderney. This is the foreign based equivalent of a Category 2 Licence.

Core Services Associate Certificate (CSAC)

Providing gambling specific software – such as games – to an Alderney Licensee. A Core Services Associate Certificate is required if an operator wishes to provide 3rd party services (gambling software, player fund deposit, company management) to an Alderney operator.

Fees

Alderney is a low tax jurisdiction and only levies a modest licence fee as explained here.

Fees for a Category 1 (B2C) Licence are based on Net Gaming Yield (NGY). However, for the first year a new licensee receives an introductory fee of £17,500. Thereafter, £35,000 p.a. up to £500k NGY. A banded fee structure applies up to NGY of £30m. There is a maximum fee of £400,000 (all activities included).

Fees for a Category 1 Associate Certificate are banded according to the Net Gaming Yield (NGY) as with a Category 1 Licence, but an introductory flat fee of £35,000 is charged for the first year. Thereafter, £50,000pa plus the banded fee structure which applies up to NGY of £30m. There is a maximum fee of £450,000 (all activities included).

A Category 2 (B2B) Licence has an introductory fee of £17,500 in the first 12 months, thereafter fixed at £35,000 per annum regardless of the amount of business transacted over the platform or the number of activities installed on the platform.

The Category 2 Associate Certificate has an introductory fee of £35,000 in the first year, thereafter £50,000 p.a.

Finally, fees for the Core Services Associate Certificate are £10,000 p.a.

In order to avoid any element of "double taxation" following the UK introduction of POC regulation and taxation, the NGY from any UK facing activities is excluded from the calculation of the fee for the Category 1 licensee. Also to minimise any element of "double regulation" the AGCC has streamlined its regulation of UK facing activities for those holding a UK Gambling Commission licence.



How Alderney compares with other jurisdictions

	Alderney	Isle of Man	Gibraltar	Malta
Corporate Tax	0%	0%	10%	Headline 35%, can be reduced to 5% for non-resident shareholders
VAT	0%	20%	0%	18%
Fees & Gaming Taxes/Duties	One licence covers all types of activities	One licence covers all types of activities	Separate licence required for each type of activity, fees and minimum/maximum taxes apply to each licence	Separate licence required for each type of activity, fees and minimum/maximum taxes apply to each licence
Gaming Duty	0%	Gambling Duty of 1.5% of Gross Gaming Yield/Retained Profit up to £20m, 0.5% on the next £20m, 0.1% on amount over £40m. 15% on pool betting. Relief on Yield/Profit from UK market activities. No maximum	Minimum Gaming Duty £85k. Fixed Odds and Betting Exchanges 1% of Turnover. Casinos 1% of Gaming Yield or Gross Profit. Maximum Duty £425k	Class 1 Casino standalone flat €84k pa (33% discount applies to first six months of operation). €14,400k pa if hosted on Class 4. Class 2 Sports 0.5% of Gross Bets. Class 3 Poker 5% of real income. Class 4 Hosting €55,920k pa (effective 50% discount over first year) + €13,980k for every operator hosted who does not hold a Malta licence. Maximum Tax €466k
Fees				
B2C utilising third-party B2B platforms	Category 1 Licence, £17.5k first year. Thereafter Band A £35k pa up to £0.5m NGY increasing to £400k maximum at Band G for NGY above £30m. NGY from UK market activities excluded from NGY.	Sub Licence £5k pa if exclusively using IOM licensed B2B platform otherwise £35k pa for a Full Licence	£2k pa per licence	€8.5k pa per licence
B2B offering services to B2C operators	Category 2 Licence, £17.5k first year. Thereafter £35k pa plus £3k per client not part of same group and not holding a Category 1 Licence.	Full Licence £35k pa if not offering platform to any clients not holding an IOM licence. Otherwise Network Licence £50k pa plus £5k pa per client not holding an IOM licence.	£2k pa per licence	€8.5k pa per licence
B2C with own B2B platform	Category 1 & 2 Licences, £35k first year thereafter Cat 1 Banding and Cat 2 client fees apply resulting in minimum of £70k pa and maximum of £435k fee.	Full Licence £35k pa if not offering platform to any clients not holding an IOM licence. Otherwise Network Licence £50k pa plus £5k pa per client not holding an IOM licence.	£2k pa per licence	€8.5k pa per licence
	n.b. Alderney also offers a Category 1 Associate Certificate and a Category 2 Associate Certificate both at £35k pa for first year, thereafter £50k pa (with an additional NGY-based banded fee structure for Category 1 Associate Certificate holders after year 1) for operators with servers and entities outside of Alderney.	No equivalent offered	No equivalent offered	No equivalent offered



Taking a risk-based approach to regulation

The Alderney Gambling Control Commission (AGCC) is one of the most respected and experienced licensing authorities in the world. It is a pioneer in its field, and has spent the past 17 years honing and iterating its framework. It was also one of the first in industry to adopt a risk-based approach to licensing, leveraging its knowledge and expertise to streamline the process for operators and service providers. Jorn Starck, Executive Director of the AGCC, talks about the advantages of adopting a risk-based approach, and why Alderney is one of only a few regulators in the sector that can do it.

Q What is meant by taking a risk-based approach and how does it work?

A It means taking a practical approach to regulation and licensing, applying rules and requirements to businesses only if they apply to them. This differs to other frameworks, with many having a blanket obligation for operators and suppliers to conform, even if certain rules are not relevant to their business.

It is impossible for operators and suppliers to meet the criteria for all aspects of regulation and licensing in the myriad of markets and jurisdictions in which they are active. Taking a risk-based approach allows us to ensure they are compliant with those that apply to their business and the markets they are in, and that they are meeting those standards at the highest possible level.

Not all the world's regulators can do this with confidence, however, as it requires knowledge, expertise and experience that only a few have. The AGCC is one of them.

Q Has Alderney been taking a risk-based approach for some time now?

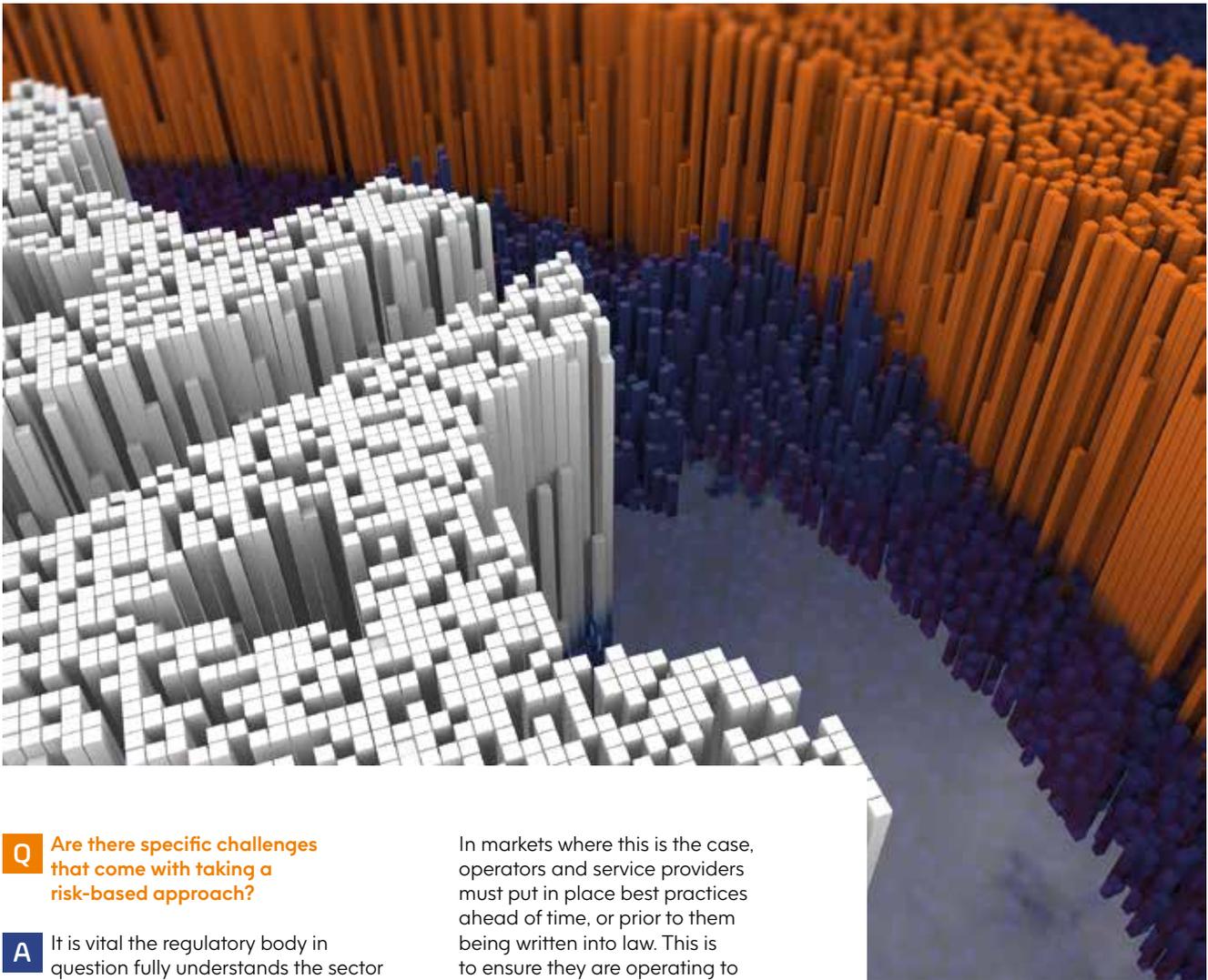
A Taking a risk-based approach is nothing new for Alderney. Over the past 17 years, we have been able to fine-tune our approach, and work closely with other evaluation bodies to ensure we never miss a beat. For example, The Financial Task Force and Moneyval provide guidance on acceptable standards in several arenas, such as anti-money laundering and terrorist financing and we received a glowing report from our latest Moneyval inspection.

Q What are the main advantages of taking a risk-based approach?

A For a start, it is much more efficient for operators and service providers. They can drive their businesses forward in a safe and secure environment, without the burden of over-regulation. The iGaming industry has grown rapidly over the past six years, but those plying their trade in the sector have struggled to adapt their businesses to the rules and regulations in each market.

There has been a lack of harmonisation and cooperation when it comes to regulation; there is no uniform approach via a common framework shared by multiple jurisdictions. Taking a risk-based approach – providing the assessors of the risk understands the risk in the first place – helps smooth the path for businesses entering multiple markets by relieving some of the regulatory pressure being applied by this patchwork approach.

This, in turn, has had a knock-on effect for all stakeholders, particularly banks and payment processors who tend to loosen their constraints when they are comfortable with the levels of oversight in place.



Q Are there specific challenges that come with taking a risk-based approach?

A It is vital the regulatory body in question fully understands the sector they are applying the risk-based approach to. Alderney has always been a leader in the field of iGaming regulation, and it has taken time to develop our framework, which is now considered to be one of the most robust yet flexible in the world. That is the level of experience required to be able to take a risk-based approach to licensing.

Q Are there certain operators or service providers who face greater risk?

A Yes, of course. This is often the case in developing markets and particularly those coming out of political and social turmoil. Bribery and corruption may be commonplace and a standard way of doing business, court systems may or may not be robust, and AML and data protection processes may not be in place. It is often the case, however, that with greater risk comes greater reward, and businesses want to get in on the action regardless.

In markets where this is the case, operators and service providers must put in place best practices ahead of time, or prior to them being written into law. This is to ensure they are operating to the highest possible standards, and that their customers are protected in line with internationally recognised best practices. Again, this can be achieved by taking a risk-based approach to licensing, but only by the most experienced and competent regulators, such as the AGCC.

Q Would you recommend regulators in new and emerging markets adopt a risk-based approach to licensing?

A Yes, but only if they work hand-in-hand with experienced regulators such as the AGCC to ensure that best practices are adhered to. We suggest regulators in new and emerging markets go live with stringent requirements first, and then gradually migrate to a risk-based approach once the necessary experience has been gained. The AGCC has been working with regulators in new markets to help them build the necessary experience for several years now.



Jorn Starck
Executive Director
Alderney Gambling Control Commission



Access new markets, reach your potential

With 68% of the online gambling sector still pre-regulated, emerging markets are recognising the benefits of encouraging industry growth, providing opportunities to diversify economies and raise revenues to support local communities.

While gambling has been around since the beginning of time, technological and support infrastructure have advanced greatly. In particular, mobile, banking and payments infrastructure in these pre-regulated markets is far more advanced and they have a lot to offer the rest of the world and the industry as a whole. The world is getting smaller and countries looking to really embrace the industry, support growth and protect customers are turning to experienced regulators to assist them to put universally recognised frameworks in place.

By talking to, and working closely with, decision makers in each country, we have been able to learn more about the state of play, the hurdles that still need to be overcome, what developments are in the pipeline and, critically, how to adapt our approach to suit each market.

In addition, over the past 12 months, Alderney eGambling CEO, Susan O'Leary, has attended all the major conferences and summits, but particularly those being held in Africa and Asia, including: WrB Africa, BiG Africa Summit, Gaming Africa, iGaming Asia, the ASEAN Gaming Summit, G2E Asia and the Japan Gaming Congress, to name but a few.

More importantly, however, Susan and representatives from the AGCC have been invited to take to the stage for numerous speaking engagements and panels at these events, using the conferences as a platform to communicate with governments, lawmakers, operators and service providers about the importance of licensing, and how regulation works in practice. Our regular presence has allowed us to develop close relationships with all the key movers and shakers in each market.

From this understanding, we have been able to ensure that an AGCC licence continues to allow operators and service providers to enter new and emerging markets – often where there is no regulatory framework in place – safe in the knowledge that their business is in the best possible shape to flourish in its chosen destination, and meeting the highest possible standards of regulation.

There are numerous benefits to operators being regulated, even in a pre-regulated market. These include:

Partnerships with other licensees: an AGCC licence opens the door to working with other regulated B2B and B2C partners. It adds an additional layer of security and robustness for businesses, with both parties adhering to the same internationally recognised standards and requirements.

Exit strategy: it also helps operators and suppliers develop an exit strategy; some new markets have proved just how difficult it is for investors to withdraw money and profits. The licensing process helps operators and suppliers understand the financial pitfalls of the markets in which they operate, and to establish a solid extraction plan.

Mergers and acquisitions: investors, lenders, and regulators want to know they are dealing with a transparent and reputable enterprise, and being compliant with the standards required for licensing goes a long way to achieving this. The same can be said for companies seeking an IPO.

68% of the online gambling sector is still pre-regulated



Payments and banking: payment processing and banking are vital components of any iGaming business, but many financial institutions and processors will not work with unlicensed companies. The risk simply outweighs the reward. An Alderney licence is more than enough to mitigate their perceived risk.

“There are numerous benefits to operators being regulated, even in a pre-regulated market.”

Business growth: working with an established regulator allows businesses to grow in a secure environment. New products, features and tools can be introduced under an existing licensing framework allowing operators to respond and adapt to trends rapidly. In addition, players feel safer registering with a top tier licenced operator which in turn leads to increased customer acquisition and retention.

Endless opportunities: licensing allows businesses to come out of the shadows and into the light, enabling them to take advantage of other perks. Alderney’s licensees, for example, enjoy a low-to-zero tax economy, and the AGCC framework is endorsed by Moneyval and FATF in terms of full compliance with international AML and CFT standards.

The AGCC has the knowledge, expertise and, most importantly, experience to steer any iGaming business on to success. All it needs is for operators and suppliers to understand the benefits of licensing and regulation, and to embrace what it takes to be a gold-star business. Those that do will be able to successfully access new markets and reach their full potential.

Susan O’Leary
CEO - Alderney eGambling
T +44 (0) 7990 015888
E susan@alderneygambling.com





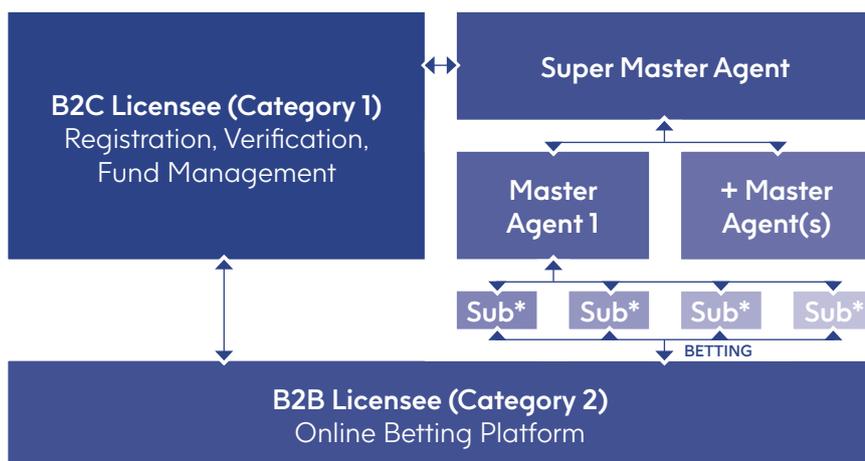
Asian Agency Model

The AGCC has created a unique regulatory structure incorporating the agency model for Asian betting markets.

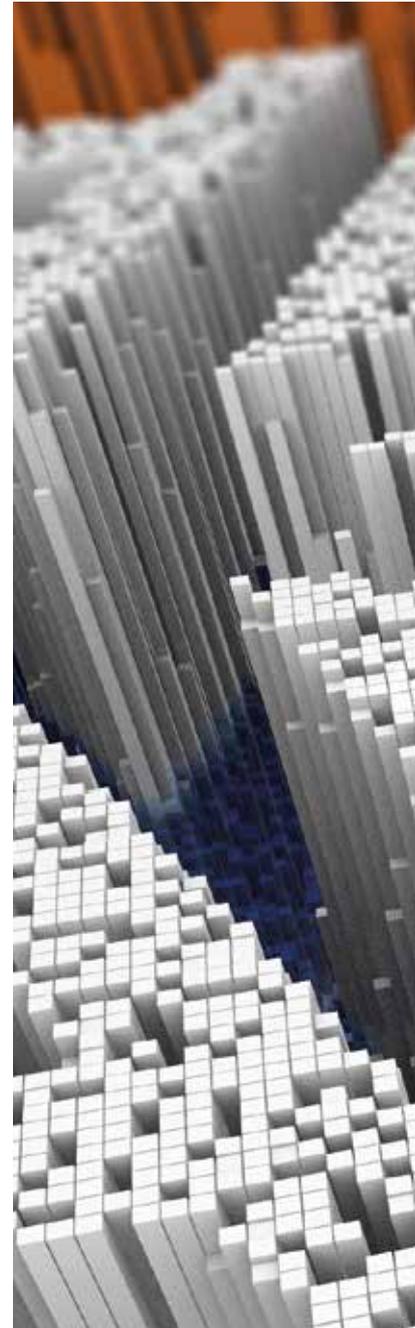
The AGCC recognised that, in a typical Far-Eastern extended social structure, bets on popular sporting events may be placed by just one person on behalf of others and that credit may also be extended by 'agents' to linked sub-accounts, where individuals can place their own bets. This activity is fraught with challenges for the gaming companies who wish to operate, and be seen to operate, to the highest regulatory standards.

Working closely with the industry to ensure compliance with internationally acceptable standards - specifically in the area of AML/CFT - and after an in-depth review of Alderney's FATF compliant regulatory requirements, the AGCC launched the Asian Agency Model. The model has already been adopted by a number of licensees.

This development is another example of our uniquely pragmatic yet innovative approach to regulation that will be of genuine benefit to many operators.



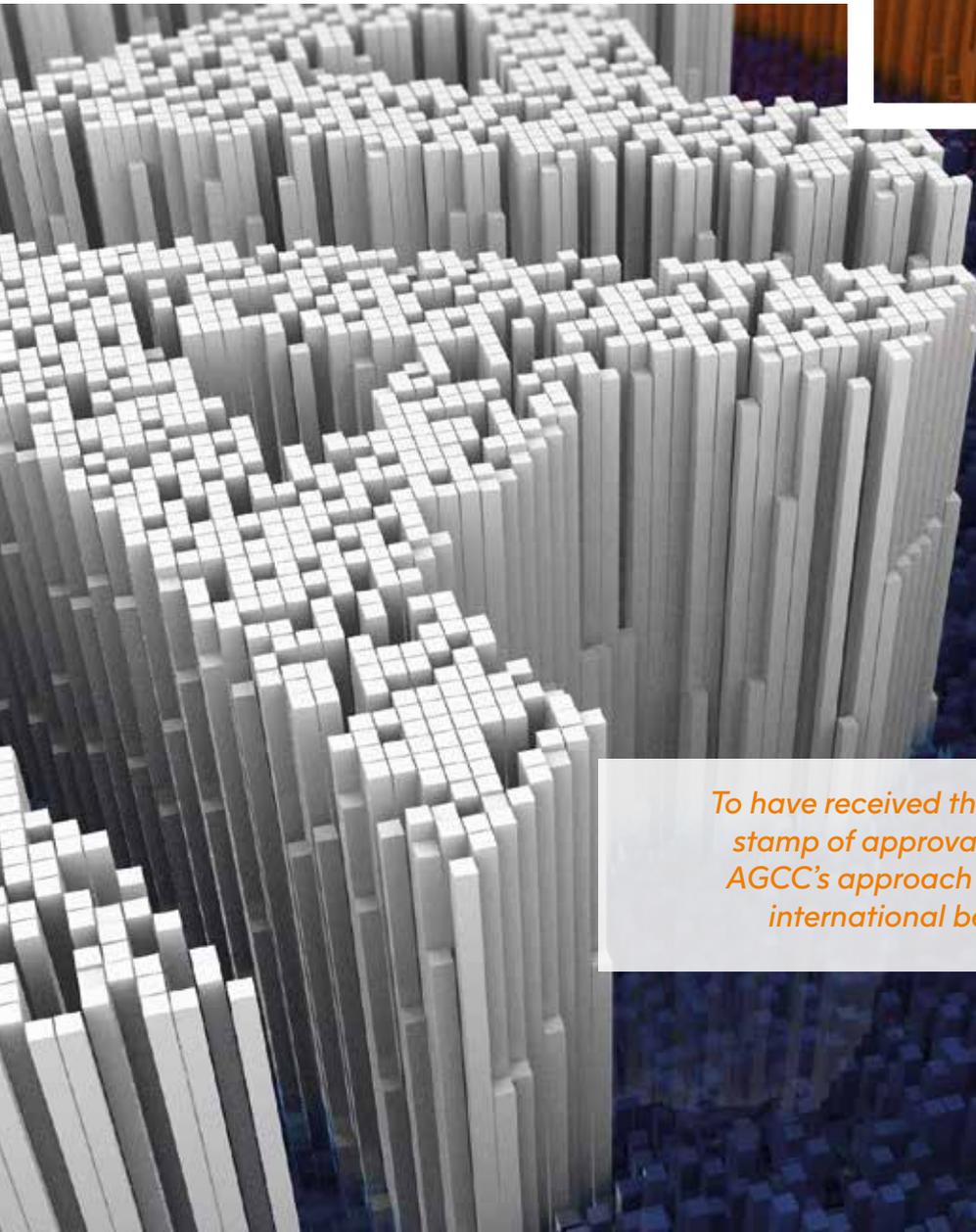
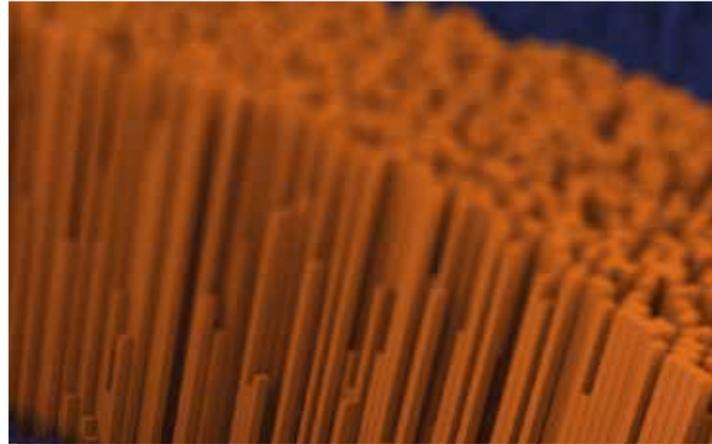
*MA sub accounts (Funded by credit from MA)





Alderney under the microscope

Alderney's latest assessment from The Committee of Experts on the Evaluation of Anti-Money Laundering Measures and the Financing of Terrorism (Moneyval), offered the jurisdiction hardly any recommendations for improvement in eGambling regulation.



To have received this Moneyval stamp of approval affirms the AGCC's approach in following international best practice.

The 322-page report contains an analysis of Guernsey's implementation of International and European standards on money laundering and terrorist financing, as well as a recommended action plan.

With regards to eGambling and the AGCC's contribution, the report highlights that Alderney's approach to eCasinos is compliant with the 3rd EU AML/CFT Directive (the primary regulation at the time) noting that the AGCC has built and maintained relationships with foreign gambling regulators to highlight and prevent fraudulent operations. To have received this Moneyval stamp of approval affirms the AGCC's approach in following international best practice.

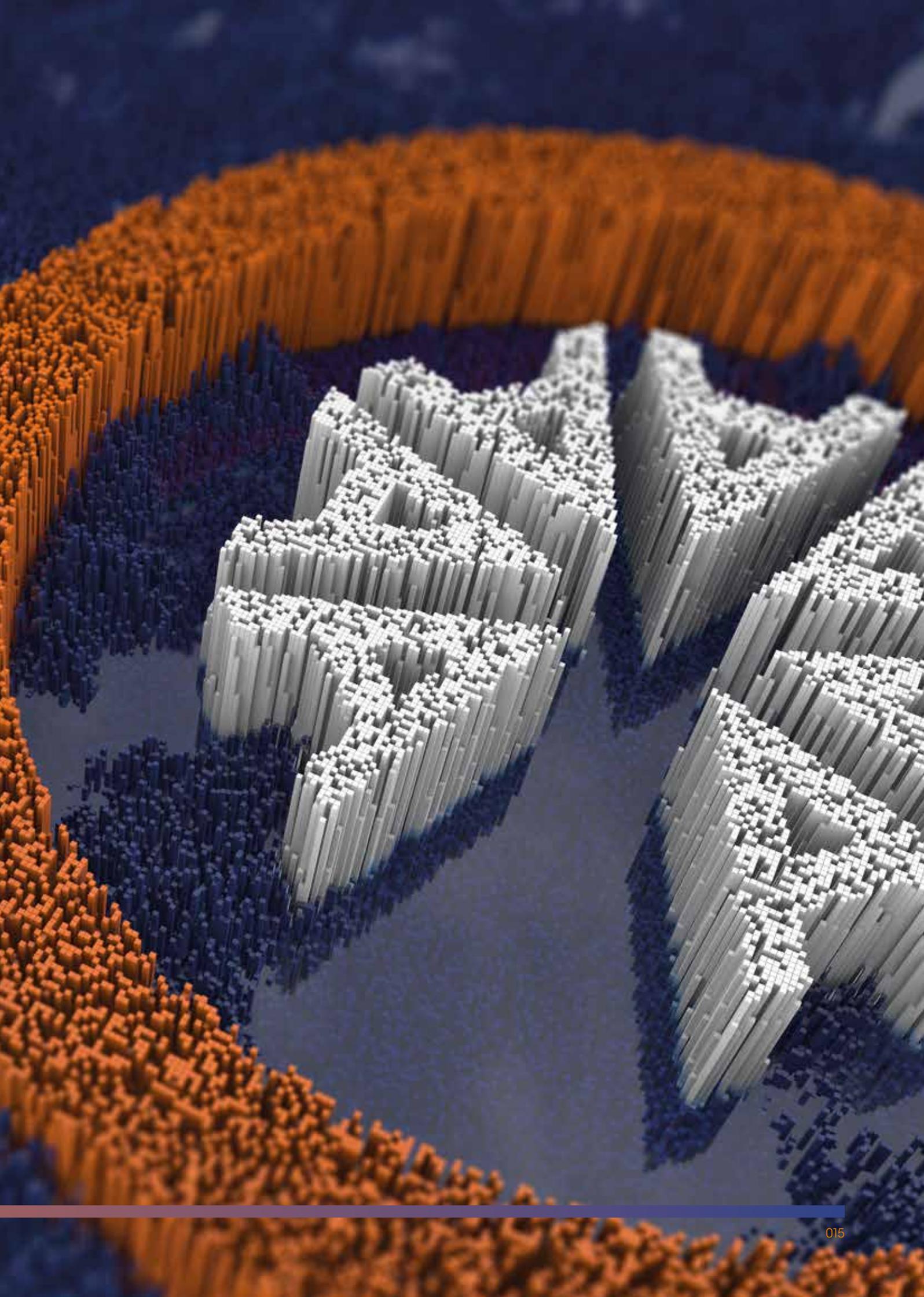
Not all licensing jurisdictions can claim such a high level evaluation and this really is testament to Alderney's strength as a jurisdiction, demonstrating how well the Alderney regime is run. The AGCC continues to work with the financial regulator, the Guernsey Financial Services Commission (GFSC) and the Guernsey Financial Intelligence Unit (FIU) to ensure the highest level of protection for players and industry is adhered to.



A global leader in eGaming regulation



alderneygambling.com





international.sure.com



c5alliance.com/eGaming-alderney-guernsey-jersey



jtglobal.com/egaming



fortgroup.com

Bellerive Stenham
Trust Limited

bellerivesttenham.com

Alderney's big advantage, our partners

Alderney's offering is reinforced by its partnership with a number of industry experts, dedicated to providing a specialist service to eGambling licensees.

alderneygambling.com

PO Box 1015, Alderney, British Channel Islands, United Kingdom GY9 3HT
Phone: +44 (0)7990 015888 Email: info@alderneygambling.com

