



Licensing

Guidelines



1. Preliminary

1.1 Authority

This document is issued by the Financial Services regulatory Commission (the Commission) pursuant to Regulations 5-21 of the Antigua & Barbuda Interactive Gaming and Interactive Wagering Regulations.

1.2 Confidentiality

This document, all related documents, and methodologies embodied in this document and related documents (“the documents”) are the property of the Financial Services Regulatory Commission. Unauthorised copying and distribution of the documents, by any means, on any media is prohibited.

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The documents are copyright.

1.3 Disclaimer

The rules and procedures provided in these documents are current at the time of writing. The Commission may in its absolute discretion amend these rules and procedures, or any definitions or interpretations pursuant to these documents at anytime.

Each licence holder should ensure it has the current version of each document.

1.4 Queries

All queries relating to this document should be made, in writing, to:

Director of Gaming
Financial Services Regulatory Commission
First Caribbean Financial Centre
Old Parham Road
St John’s
Antigua and Barbuda
E-mail: Director@antiguagaming.gov.ag

1.5 References & related documents

The Financial Services Regulatory Commission utilised many documents and international standards when compiling the suite of guidelines.

The current list of related guidelines is available from the Commission’s website at <http://www.antiguagaming.gov.ag>.

Licence holders and other interested parties should acquaint themselves with the contemporary documents before relying on them.



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3. Introduction

3.1 Introductory Overview

A company wanting to operate Interactive gaming or Interactive wagering (or both) is required under 3 (1) of the International Business Corporation (IBC) Act, and 3 (3) of the Interactive Gaming and Interactive Wagering Regulations (IGIWR) to be incorporated under the laws of Antigua and Barbuda. Once incorporated, a prospective licensee must then obtain a licence, pursuant to 3 (1) of the IGIWR before the conducting of interactive gaming and wagering activities can be permitted.



4. Procedure for obtaining an Interactive Gaming/ Interactive Wagering licence

4.1 The Schedules to be completed

The following are required before consideration to grant, deny or return an application can be determined. *(Please note that at this stage, all forms are to be fully completed in typed/printed text)*

Schedule A – Application for an Interactive Gaming or Interactive Wagering Licence form must be fully completed and submitted to the Commission

Schedule B – Business Entity Information Package (if applicable) must be completed and submitted.

Schedule C – Personal Information form must be fully completed by each key person, director, partner and chief executive officer of the company, including each shareholder with five percent (5%) or more ownership of or controlling interest in the company.

A non-refundable fee of **\$15,000** US dollars is to be submitted for conducting investigations, due diligence and assessments of the applicant(s). In the event the cost and expenses incurred consequent of these investigations exceed \$15,000 US dollars, the applicant will be notified in writing by the Commission and required to submit a further non-refundable deposit (or deposits), as determined by the Commission. *(Please note – For whatever reason, if a decision to withdraw an application is taken, the fee(s) for conducting the due diligence will not be refunded).*

Any other information or document deemed necessary by the Commission.

4.2 Decision

Within 60 days of receipt of the above listed requirements, the Commission shall decide to grant, deny or return the application for an Interactive Gaming/Wagering licence. In the event of the latter, the applicant will be requested to provide additional or supplementary information or clarifications, as deemed necessary by the Commission. This is to assist us in reaching a decision. Once we are in receipt of the full requirements, and a presentation, given by the prospective licensee has been delivered to the Licensing Committee, the Board of the Commission will then make their decision.



5. Following Approval for an Interactive Gaming/Wagering Licence

5.1 Annual Deposit Requirements/ Fees for Interactive Gaming and Interactive Wagering Licences

Outlined below are the monetary requirements for obtaining an Interactive Gaming or Interactive Wagering Licence.

Due Diligence (as stipulated above in section 4.1)	\$15,000.00 US dollars (non-refundable)
Interactive Gaming Licence Fee	\$100,000.00US dollars (<i>per annum</i>)
Interactive Wagering Licence Fee	\$75,000.00US dollars (<i>per annum</i>)
Annual Renewal fee for each Licence	\$5,000.00US dollars (non-refundable)
Key Person Licence Fees	1 st year - \$1,000.00US dollars 2 nd Year/and there onwards - \$250.00US dollars
Reserve Requirement (as stipulated below in section 5.3)	\$100,000.00US dollars (minimum)
Monitoring System Fee (as stipulated below in section 5.5)	For One Licence - \$25,000.00US dollars (<i>per annum</i>) For Two Licences - \$45,000.00US dollars (<i>per annum</i>)

5.2 Prevention of Money Laundering

As of 2001, gaming companies were integrated into Antiguan law as 'financial institutions' for the purpose of being subject to the provisions of the Money Laundering Prevention Act (MLPA) 1996, and the Prevention of Terrorism Act, 2005 respectively. Prospective licensees will have to satisfy the Commission of the company's commitment to the prevention of money laundering by providing a rough plan of the policies and procedures to be implemented. How will the identities of the players be verified? What internal procedures will be employed regarding 'Know Your Customer'? How will monies, both deposited and withdrawn, be monitored? These are some of the questions which must be taken into consideration.

5.3 Reserve Requirement

As well as providing proof of capital adequacy, an applicant who has been granted a licence must submit an amount, or some other similar acceptable security, of no less than One Hundred Thousand United States Dollars (**\$100,000.00 US**) to be paid into an account established by the Commission. This fund acts as a form of security for the benefit of players, to ensure that licence holder's obligations to them such as payment of prizes and the return of deposited money in accounts can be fulfilled. (*Please note however, that it is the Commission's discretion to adjust the*



amount of the reserve requirement in accordance with the financial position or level of risk posed by a licence holder). If a licence holder wishes to cease interactive gaming/ wagering operations, the reserve requirement will be withheld until a 30 day written notice has been received by the Commission.

5.4 Control System

Pursuant to regulations 102 – 105, an applicant must put forward a proposed control system submission to the Commission in writing, at least ninety days, or as soon as practicable, before the licence holder proposes to start conducting interactive gaming. This submission must describe and explain the control system to be utilised, and in particular must provide information on the following.

- Accounting systems, chart of accounts;
- All accounts held at financial institutions (bank accounts, payment provider accounts, etc);
- Financial reconciliation and controls to ensure financial adequacy;
- Organisational chart including roles, responsibilities and delegations;
- Administrative systems, policies and procedures;
- Information systems including logical access control;
- Change and configuration management systems;
- Business continuity and disaster recovery systems;
- Operational systems including terms and conditions and rules of games;
- Physical and environmental security and physical access controls;
- Systems relating to the secure processing, recording and maintenance of all gaming, wagering, and financial transactions (including but not limited to gaming equipment);
- Responsible gaming and wagering policies and procedures, including the restriction of under- age gaming and wagering procedures (*as stipulated below under 5.6*);
- Anti-money laundering policies and procedures (*as stated above under 5.2*); and
- All Uniform Resource Locators (URLs) or domain names associated with the licence holder.

5.5 Monitoring

The Financial Services Regulatory Commission ('the Commission') has implemented an approved monitoring programme which captures key metrics common to all gaming and wagering activities. This requires one-off development by gaming systems implementers. However, through the provision of monthly data transfers and analysis, the Commission will be able to satisfy itself – or investigate further - with regard to the following: turnover

- game fairness (including player fairness in peer-to-peer games)



- number of players
- financial liability to customers
- anti-money laundering compliance
- problem gaming
- under-age gaming

The approved monitoring programme is an industry specific CAATs (Computer Assisted Audit Techniques) system. Through the utilisation of information, regulatory considerations are monitored and assessed at a fraction of the cost of manual audits, to a much greater level of detail and accuracy, in a time much closer to real-time.

The approved monitoring programme will ensure the Antigua and Barbuda interactive gaming and interactive wagering industries maintain the integrity and trust necessary to ensure viability into the future. It demonstrates the active monitoring and enforcement of Antigua and Barbuda's regulatory principles.

5.6 Social Responsibility

We are a jurisdiction strongly committed to the promotion and encouragement of responsible gambling, and so it is expected that a prospective licensee will share this value. When proposing to establish a gaming company in the jurisdiction of Antigua, it is imperative that the applicant outlines as far as permissible at this stage, how the company intends to prohibit underage players from accessing its product. The applicant must be cognizant of our prohibition of advertising which is pornographic, offensive, misleading or appealing to minors. It is also an offence under regulation 4 (2) to permit problematic/pathological gambling or wagering to occur. Therefore an outline of how a player's gambling activities will be monitored will have to be provided.

5.7 Gaming Addiction Research and Education Fund

In keeping with international standards of best practice, we have embarked on an island-wide initiative to firstly respond to the issue of problem gambling and secondly to ensure that the delivery of gaming services in Antigua is conducted in a manner which is socially responsible. As a result we have amended our regulations to include the establishment of a gaming addiction research fund. This is to be used for the purposes of researching social development and awareness programs, and training and educating the public (especially youths) about the risks associated with gambling. Subsequently, Antiguan licence holders will be mandated to provide a monetary contribution along with the Commission and the Antigua Online Gaming Association (AOGA).

5.8 Location

Under regulation 15 (g) of the IGIWR, the prospective licensee must be committed to maintaining a physical presence in Antigua and Barbuda. The company must have its physical presence and primary server, on which the transactions are conducted, in Antigua and Barbuda.