



Business Submission Guide For Interactive Gaming Licensees

BUSINESS SUBMISSION DEVELOPMENT

The suggestions here regarding the information included in a Business Submission are not meant to be a model for a competent and well thought through Business Plan. They are only meant to be read as guides as to the minimum information needed by the Regulator to evaluate an Application for an Interactive Gaming License.

We want to speed the evaluation of License Applications as much as possible. The first activity of a proposed interactive gaming business is not to apply for a license. Interactive Gaming Licenses issued by the Government of Vanuatu are valuable assets. Before a license is granted, one of the aspects the Government needs to be assured of is that the licensee understands how to make their business successful and has the necessary resources to do so thereby maximizing the value of the asset granted - the Interactive Gaming License.

The more information gathered and planning conducted by a License Applicant before the License Application is lodged - the better the evaluation may proceed, and potentially the more quickly a license may be granted. To fully assess a License Application we ask that your Business Submission includes at least the following information:

1.1 EXECUTIVE OVERVIEW

A narrative overview of the Business Submission that describes the key elements of the major sections of the Business Submission.

1.2 CORPORATE AND BUSINESS STRATEGIES

This section of the Business Submission sets out the aims and aspirations of the business, why the business has been established, what the shareholders seek to achieve for themselves, for their customers and for their business partners.

If it is proposed to publicly list the company or any company that could be deemed a "close associate" of the License Applicant please include the details of the planned listing - including details of underwriters etc. The Regulator may require to be provided with a prospectus.

1.3 COMMERCIAL STRUCTURES

Establishing a successful interactive gaming business requires a variety of skills and competencies. These are sometimes best outsourced and sometimes best insourced - each business uses a different mix based on the aspirations of the shareholders.

In this section of the Business Submission, please describe the overall commercial structures especially if the business comprises a number of legal entities (whether these be based in Vanuatu or otherwise). For example, it may be proposed that the License is held by a company, which in turn uses services provided by other companies - then this commercial structure should be stated. Include diagrams of the commercial structures naming all legal entities please.



All contracts entered into should be defined in your Business Submission. Remember that any Contracts that are based on "close associates" or on revenue or profit share basis need to be sighted, examined and potentially approved by the Regulator.

1.4 SYSTEMS AND MAJOR OPERATIONAL RELATIONSHIPS

It would be expected that at least the following areas be mentioned, and where a contract has been signed that it be disclosed in your License Application or at least a statement of when signing is expected to occur:

- Interactive Gaming Application System
- Banking and Payment Systems
- Computer / Network Supply
- Communications (Internet / Telco)
- Fraud / Risk Management
- Bankers, Solicitors / Lawyers
- System Auditors
- Financial Auditors
- Web and Game Development
- Advertising / Marketing / Promotions.

If contracts have not been entered into at the time of License Application, then we suggest that it is in your interests that a summary statement for each area mentioned above be included in your Business Submission.

1.5 LEGAL OPINIONS

You may also wish to document a summary of any legal advice or opinion in relation to your commercial structures, target markets or markets that you will specifically exclude.

If you are to exclude markets you should indicate how this will be achieved.

1.6 AUDIT REQUIREMENTS AND TECHNICAL GUIDELINES

At this point in the development of your Business Submission you should be very familiar with Audit Requirements, the Technical Guidelines for an Interactive Gaming Computer System and the Code of Practice. The Gaming Application System you select will have to comply with the Technical Guidelines and will be audited against these guidelines by a Vanuatu recognized testing service or company. Please provide a summary narrative of how compliance to these Requirements and Guides will be achieved and maintained should a License be granted.

1.7 BUSINESS PREMISES LOCATION(S)

The Interactive Gaming License will prescribe the premises where the Licensee may conduct Interactive Gaming under the License. In this section of the Business Submission please describe where the various segments of the business will physically be located.

You should also include in this section a statement as to the level of business activity that will be conducted in Vanuatu by your business.

If any premises have not been contractually secured at the time of preparing this Business Submission please indicate in general terms where the business segments are intended to be located and when it is intended that they will contractually secured. (This should also be reflected in the Project Schedule).

1.8 MARKETING STRATEGY

It would be very useful if the marketing strategy answered, at least, the following questions. While not a requirement, information based on some form of qualitative and/or quantitative research would be preferable:

- What is your Unique Selling Proposition considering your competition?
- What are the target markets by name, size and forecast growth?
- What games are to be offered to these target markets including time based penetration estimates in terms of percentages and revenue?
- What are your estimates for average player spend, cost of acquisition and retention?
- How will you make players aware of your web site / business?
- How will you get visitors to register and play your games for money?
- How will you retain these players and over what period will they be profitable?
- How will charge backs / repudiations be managed?
- How will player support / assistance factor in your marketing?
- How will you pay players when they request payment?
- How will you manage for harm minimization and social responsibility?

It is necessary to get expected performance figures so that the Financial Parameters of the License may be determined.

1.9 ORGANIZATIONAL STRUCTURE AND RESOURCING STRATEGY

The resourcing strategy should describe at least the following:

- The organizational structure of the proposed licensee's business;
- The timing of the resources into the business;
- Role statements for each position in the organizational structure.

1.10 FINANCING STRATEGY

This section of the Business Submission should indicate the following:

- The amount of the finances available to the business;
- The source(s) of the finances - the Government needs to be assured that financing is not provided from tainted sources, and how they have been or will be raised;
- Any constraints to financing - either timing or event based constraints;
- What contingency finances are available if needed;
- What level of financial risk (eg: repudiations, fraud, timing of finance) is included in the Business

Submission and how this is to be managed.

Sufficient information should be provided in this section so that the Regulator may determine the values of the Financial Parameters specified in the standard Conditions of License.

1.11 BUDGETS

It would be expected that the Business Submission include at least Budgetary Estimates for:

- Establishment of the business prior to commencement of trading;
- Monthly Profit and Loss Estimates for the 3 years of the License;
- Monthly Cash Flow Estimates for the 3 years of the License;
- Chart of Accounts for the Proposed Licensee's Business.

Sufficient information should be provided in this section so that the Regulator may determine the values of the Financial Parameters specified in the standard Conditions of License.



1.12 PROJECT SCHEDULE

It is required that a project schedule be included in or with the Business Submission indicating the major steps, timeframes and milestones for the establishment and commencement of your interactive gaming business.

Milestones that must be advised to the Regulator include:

- The date trading is planned to commence.
- The date systems auditing will commence.
- The date systems auditing will conclude for addressing all games, the RNG, physical and logical security, computing equipment, application software and statutory reporting.
- The date the documentation of your internal controls and operating procedures will be made available to the Regulator.
- The last date by which you need the Regulator to approve the variables defined in the Audit Requirements and the Interactive Gaming Technical Guidelines.
- The date when all computing equipment will be installed in your offices.
- The date when your offices are established in Vanuatu.
- Any other milestone or critical dates that are based on activities of the Regulator or of Global Gaming Regulators Limited.

All enquiries relating to this document should be sent to:

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