



# Brief To Applicants For Interactive Gaming Licensees

## INTRODUCTION

In March 2000, the Interactive Gaming Act 2000 was enacted to provide a framework to enable the regulation of gaming and wagering activities on the Internet and other communications media. In particular, the regulatory framework provides for the issue of a Vanuatu Interactive Gaming Licence under which these new forms of gaming can be conducted from within Vanuatu.

This Guide to Applying for a Vanuatu Interactive Gaming Licence has been prepared to ensure that information about the new Vanuatu Interactive Gaming Licence is readily available to those interested. As well as outlining the process of applying for the Licence, the Guide specifies the criteria against which the Regulator conducts its investigation and assessment of licence applicants. The Guide forms one part of a package of material that includes:

- an Application Form;
- a Company History Form;
- a Personal History and Suitability of Persons Form;
- Gaming Business Submission requirements;
- Internet Gaming Technical Requirements - Version 1.0; and
- Audit Requirements; and
- An Industry Code of Practice.

Copies of these documents are available from the Regulator and are available for download at [www.gamingregulator.com](http://www.gamingregulator.com)

Copies of the Interactive Gaming Act 2000 can also be obtained from the Regulator or can be accessed on the Internet via the above address.

Applicants for a Vanuatu Interactive Gaming Licence are asked to submit the completed documents, accompanied by the application fee, in an envelope marked:

**STRICTLY CONFIDENTIAL  
APPLICATION FOR VANUATU INTERACTIVE GAMING LICENCE**

The envelope should be addressed as follows:

**If Posted**

The Regulator of Interactive Gaming  
Ministry for Finance and Economic Management  
C/O Global Gaming Regulators  
PO BOX 3113  
Port Vila  
Vanuatu



## **If Electronic**

The Regulator of Interactive Gaming  
Ministry for Finance and Economic Management  
C/O Global Gaming Regulators  
[applications@gamingregulator.com](mailto:applications@gamingregulator.com)

An application and its contents are confidential to the Regulator.

## **FALSE OR MISLEADING INFORMATION**

Applicants need to be aware that the Vanuatu Interactive Gaming Licence application, together with all of its attachments, is subject to the provisions of section 4 of the Interactive Gaming Act 2000. Section 4 states:

### **APPLICATION FOR LICENCE**

4. (1) An application for a licence to conduct interactive games in Vanuatu must:
  - (a) be made by a company registered under the Companies Act [CAP 191]; and
  - (b) be made in writing to the Minister; and
  - (c) be in such form as is specified by the Regulator; and
  - (d) be accompanied by such application fee as is prescribed by the regulations.
- (2) The Minister may, by written notice given to an applicant for a licence, require the applicant to give the Minister further information or documents that are necessary and reasonable to help the Minister determine the application. The notice must specify a period of not less than 14 days within which the applicant is to give the further information or documents.
- (3) An applicant must not:
  - (a) make an application that is false or misleading in any material particular; or
  - (b) give in response to a notice under subsection (2) any information or document that is false or misleading in any material particular.
- (4) An applicant that contravenes subsection (3) is guilty of an offence punishable on conviction by a fine not exceeding VT 60,000,000.
- (5) An application fee referred to in paragraph (1)(d) is not refundable.

## **A NEW REGULATORY FRAMEWORK**

The Government of Vanuatu, through the Interactive Gaming Act 2000, has legislated to ensure that the licensing and supervision of gaming in Vanuatu is strictly regulated and controlled.

The Regulator, a position established under the Interactive Gaming Act 2000, is responsible for the Regulation of gaming in Vanuatu. The Interactive Gaming Act 2000 came into effect in March 2000.

The Regulator then, through a public tender process, appointed Global Gaming Regulators Limited in September 2014 to assist with:

- License Application Evaluations;
- Licensee Auditing
- Consulting on Legislative and Regulatory Amendments
- Industry Communications
- Industry Development



This new regulatory framework allows the Regulator to issue a Vanuatu Interactive Gaming Licence to applicants who meet the required regulatory, financial and probity standards for the conduct of approved gaming activities.

The 'approved gaming activities' include fixed odds wagering, sports betting, simulated gaming, major lotteries, pools, and other events. It should be noted that businesses licensed under the Betting (Control) Act do not fall within the coverage of the Interactive Gaming Act 2000.

A Vanuatu Interactive Gaming Licence allows licensees to conduct any games that are approved by the Regulator and which do not infringe upon the rights of other licensees. Games are approved by the Regulator on a case by case basis.

In order to ensure a high level of probity and integrity, the new regulatory framework requires that each applicant for a Vanuatu Interactive Gaming Licence be thoroughly investigated. The investigation covers directors and senior employees of the applicant, and extends to other associated entities that hold a financial interest in the applicant company or can exercise significant influence over the gaming business of the applicant.

In investigating an applicant, and in determining the granting of a licence, the Regulator of Interactive Gaming is empowered to gather any information or documents that the Minister and Regulator considers relevant.

## **WHAT IS A VANUATU INTERACTIVE GAMING LICENCE**

A Vanuatu Interactive Gaming Licence is a licence granted and in force under the Interactive Gaming Act 2000. It is a licence that authorises a company to conduct approved gaming activities from Vanuatu as a Licensed Provider.

It should be noted that the date of grant of a licence and the date the licence takes effect may be different. It may be specified in the licence that the licence will take effect when the gaming equipment, control systems and premises have been approved, all fees and costs have been paid and any other matters required by the Regulator have been addressed. No matter what the effective date, gaming operations cannot commence until the gaming system has been approved.

It is unlawful to conduct gaming activities without an appropriate licence. It is also unlawful to conduct gaming activities that have not been approved by the Regulator of Interactive Gaming. The licence granted is specific to the company named in the licence. A Licensed Provider can transfer this licence to any other person or organization provided the intended new owner of the license is approved by the Minister after consultation with the Regulator.

A Vanuatu Interactive Gaming Licence has effect for a period not exceeding fifteen years and is renewable.

Under specified conditions, the licence can be cancelled or suspended, as can an approved game. If the Minister agrees, a Licensed Provider may surrender either the licence.



## WHAT IS THE LICENSING AND TAXATION REGIME?

The new regulatory framework is supported by a licensing regime which involves:

- A non-refundable application fee of USD \$50,000 for a Vanuatu Interactive Gaming Licence where;
- Annual licence fee of USD \$50,000;
- The meeting of prescribed financial conditions in the licence; and
- A monthly tax on gross profits or turnover, dependent on the type of games approved by the regulator for the Licensee.
- The payment by the licence holder of the reasonable costs incurred by the Regulator in ensuring the licensee is a suitable person to continue to hold a license and is complying with the Act, the regulations or the code;

## VAT IMPLICATIONS

Vanuatu has implemented a Value Added Tax system. Licensees are zero rated for VAT purposes in Vanuatu meaning that:

- Licensees do not have to collect VAT on their revenues; and
- Licensees may claim back VAT paid on all goods and services used as business inputs.

## APPLICATION AND LICENCE FEES

A one-off application fee of USD \$50,000 must be paid at the time an application for a Vanuatu Gaming Licence is lodged. Annual license fees are fixed at USD \$50,000 and are payable on issuing of the license and thereafter on the anniversary of this date.

Any and all guarantees stated in the Financial Conditions imposed upon licensees must be met within 14 days of the issuing of the license.

The interactive gaming tax payable for each month is required to be paid no later than the last working day of the month after the end of the month for which tax is due and payable.

## WHAT IS INVOLVED IN APPLYING FOR A VANUATU INTERACTIVE GAMING LICENCE?

By law, an application for a Vanuatu Interactive Gaming Licence must be completed on forms approved by the Regulator. Each type of game for which the applicant is intending to provide must be specified in the Business Plan submitted with the license application.

The application must also include, or be accompanied by, all information and documents required by the Regulator, as well as the license application fee.

Applicants should note that it is an offence to provide false or misleading information in relation to an application for a licence. An applicant is required to submit to the Regulator the following:

- an Interactive Gaming License Application Form;
- a Company History Proforma<sup>1</sup> for
- The applicant company and;
- Any parent or holding companies; and
- each company holding a share of 5 per cent or more in the capital of the applicant company;
- a Personal History and Suitability of Person Proforma for each associate named in the Company History Proforma;



- A Business Plan; and
- A signed Code of Practice

1 Please note the documentation that must support Company History and Personal History Proformas.

## **BUSINESS PLAN SUBMISSION.**

The Regulator requires the applicant to provide a Gaming Business - Business Plan. The minimum information to be included in this Business Plan may be found at [www.gamingregulator.com](http://www.gamingregulator.com)

If further information in relation to the application is required this will be requested either at the time of application or at a later date determined by the Regulator.

## **THE INVESTIGATION AND ASSESSMENT PROCESS**

On submission of a completed application for a Vanuatu Interactive Gaming Licence, together with the requisite documentation and the license application fee, the Regulator of Interactive Gaming will cause the State Law Office to conduct an investigation of the applicant and associates. In investigating a licence applicant and its associates, the Regulator will determine whether the applicant is suitable to hold a Vanuatu Interactive Gaming Licence and whether each associate is a suitable person to be associated with a gaming operation.

In determining suitability, the Regulator will have regard to the following matters:

- the applicant's character, honesty, integrity and business reputation as determined by investigation conducted by the State Law Office;
- that each associate of the applicant is also suitable to be involved in a gaming business or gaming activity conducted under the endorsement as determined by investigation conducted by the State Law Office;
- the applicant's current financial position and financial background;
- whether the applicant has arranged a satisfactory ownership, trust or corporate structure;
- that the applicant has access to the technical ability and resources appropriate for conducting gaming activities of a kind to be conducted under the endorsement(s);
- whether the applicant has, in the Regulator's opinion, resources to ensure the financial viability of operations conducted under a Vanuatu Interactive Gaming Licence; and
- anything else considered by the Regulator to be relevant.

In determining the suitability of associates, the associates' character, honesty, integrity, business reputation, current financial position and financial background will be taken into account. The investigation by the Regulator may involve references to applicable Vanuatu and overseas organisations such as:

- Law Enforcement Agencies;
- Financial Institutions;
- Professional Bodies;
- Registrars of Births, Deaths and Marriages
- Credit Reporting Agencies
- Australian Securities and Investments Regulator, or an overseas equivalent; and
- Gaming Regulatory Authorities.

Note: any changes in the circumstances of the applicant that occur during the investigation must be communicated to the Regulator for inclusion in the application.



After completing its investigation, the Regulator will either recommend to the Minister to grant, or refuse, a Vanuatu Interactive Gaming Licence and, where a licence is granted, will determine the games and conditions that will be approved for that licence.

On the granting of an application for a Vanuatu Interactive Gaming Licence the Minister will notify the applicant that a Vanuatu Interactive Gaming Licence, for the nominated premises and games has been granted. The gaming activities specified in the Licence cannot commence until, among other things, the premises, the gaming system and control systems have been approved by the Regulator and all fees, and if necessary any costs, have been paid.

### **WHEN DOES A LICENCE TAKE EFFECT?**

The Licence takes effect either on the day it is granted or at some other time determined by the Regulator.

When the licence is granted, the occasion on which the licence is to take effect will be specified on the Licence together with the duration of the Licence. License Conditions will also specify the premises in which the Licensed Provider may undertake the activities authorised by the endorsement.

Before gaming can commence, the Regulator has to be satisfied among other things that:

- the gaming equipment meets the Technical Guidelines for Interactive Gaming Version 1.0;
- appropriate control systems are in place;
- the premises have been approved; and
- in the case of simulated gaming and major lotteries, the games proposed for the gaming operation are ones that have been approved by the Regulator.

As a result, the date on which gaming activities can commence will be influenced by the time required for the Regulator to complete both the investigation and the approval processes. The time required will depend, in part, on the:

- extent of probity investigations to be conducted;
- cooperation of the applicant and its associates;
- complexity of the applicant's corporate and/or financial structure; and
- quality and timeliness of the submission of gaming equipment and documentation in accordance with the Audit Requirements, Code of Practice and Technical Guidelines for Interactive Gaming Version 1.0.

### **WHAT ADDITIONAL MATTERS SHOULD BE CONSIDERED BY A LICENSED PROVIDER? TECHNICAL AND FINANCIAL RESOURCES**

The conduct of activities under a Vanuatu Interactive Gaming Licence is no inexpensive exercise and applicants must consider carefully the investment required operating a gaming business, in addition to the costs required to be met under the Interactive Gaming Act 2000 which have been outlined in this document.

The Regulator will make an assessment as to whether the applicant has the financial resources and has, or has access to, the technical ability and resources to conduct the gaming activities under the endorsement specified on the Vanuatu Interactive Gaming Licence. To this end, applicants are required to submit a Business Plan in their support of their license application.



## **APPROVED GAMES AND RULES**

Games that may be conducted under the authority of a Vanuatu Interactive Gaming Licence are only those that have been approved by the Regulator of Interactive Gaming. The Regulator may only approve the rules of a game which the Regulator is satisfied are fair to players and not contrary to the public interest.

The Regulator may, at any time, revoke its approval of a game, amend the approved rules or substitute new approved rules for a game by written notice to a Licensed Provider.

## **APPROVED PREMISES**

A Licensed Provider must not conduct a game unless the premises in which the gaming activity is to be conducted has been approved by the Regulator. The premises at which the gaming activities are to be undertaken must be specified on the Licence.

These premises must be secure, with controlled access and emergency power arrangements in place. The physical security of the computer system must comply with the document Technical Guidelines for Interactive Gaming Version 1.0 which requires that the computer system, used for the conduct of gaming activities permitted under the Licence, must physically reside in a secure data centre. Guidelines for a secure data centre are found in Australian Standard AS2834 - 1995.

## **GAMING EQUIPMENT**

Gaming equipment includes computer software specifically designed, customised or installed for use in connection with gaming or a gaming activity. The computer systems used to provide gaming activities permitted under the endorsed Licence must meet the requirements of the document entitled Technical Guidelines for Interactive Gaming.

This document describes the principles that the Regulator will apply to evaluate the functionality of the computer systems, the games and wagering types to be offered, the communications interface which connects these systems to the Internet and the communications interfaces which connect these systems to other computer equipment.

## **COMPLIANCE TESTING**

The Regulator will permit licensees to engage a third party testing facility, service or company, recognised by the Regulator, to test the system, network security, system documentation and controls for its compliance with the Technical Guidelines for Interactive Gaming, Audit Requirements and Industry Code of Practice.

That testing facility will then issue a Certificate of Compliance signifying compliance of the gaming operation with the Requirements documentation. The costs incurred in the evaluation of its computer and control systems, employed in the conduct of gaming activities authorised under the Licence, are to be met by the licence holder.

The Regulator will only approve the gaming equipment where it is considered to be suitable for use in the gaming business to be conducted under the endorsements on the licence.



## **CONTROL SYSTEM**

The Regulator will approve the control system submitted by a licensed provider if satisfied that the system is suitable for use in respect of the gaming business. The control system will cover internal controls and administrative and accounting procedures.

Requirements of the Control System are outlined in the Act, the Audit Requirements, the Technical Guidelines for Interactive Gaming and in the Code of Practice. A guide published by the Regulator to the minimum Table of Contents for a Control System are found at [www.gamingregulator.com](http://www.gamingregulator.com)

## **SPECIAL EMPLOYEES**

Persons engaged by the Licensed Provider to manage the gaming activities and participate in their day to day operation may in the future be required to be licensed as special employees.

## **WHAT IS REQUIRED OF A LICENSED PROVIDER?**

The Interactive Gaming Act 2000 provides for a number of player protection measures to be implemented in the gaming business conducted by the Licensed Provider. These include:

- preventing minors playing; and
- a player behaviour monitoring regime; and
- a prohibition on the provision of credit by a licensed provider; and
- a complaints mechanism.

Furthermore the Act covers player registration, claims for prizes, the remission of players' funds. The Regulator may also, from time to time, require the inclusion of Player Protection Standards in the Code of Practice to which all licence holders must comply. These Standards will be designed to minimise the harmful effects of gambling which may be experienced by some players.

Any potential change in associates to a Vanuatu Interactive Gaming Licence must be notified to the Regulator in writing. That change cannot occur until approved by the Regulator. All new associates are investigated and assessed against criteria identical to that required for associates to a licence application.

The Regulator may at any time investigate a licence holder to determine whether the licence holder continues to be suitable to be the holder of a Vanuatu Interactive Gaming Licence. Associates may also be investigated in a like manner to assess their continued suitability to be associated with the Licence.

## **CONDITIONS ON A VANUATU INTERACTIVE GAMING LICENCE**

The Minister, can, at any time, impose conditions on the Vanuatu Gaming Licence and may give directions to a Licensed Provider about the conduct of the provider's gaming business and gaming activities. Directions are conveyed by written notice to the Licensed Provider, and the Licensed Provider is obliged to comply with them.



License holders have 14 days in which to prepare a submission for the Minister in relation to license conditions changes. The Minister must consider any such submissions. Conditions placed on a licence may relate to any one or more of the following matters:

- approval of premises and facilities;
- the security of gaming equipment;
- approval of an electronic monitoring system;
- the keeping of records and financial statements;
- the holding of funds on behalf of players;
- the provision of reports; and
- prizes.

A Licensed Provider must not contravene any conditions that are attached to the licence. However, the Licensed Provider may, at any time, request the Minister to amend the conditions to which the Vanuatu Interactive Gaming Licence is subject.

## **DISCIPLINARY ACTION**

The Act specifies the grounds for disciplinary action, and the disciplinary action that can be taken by the Regulator against the holder of a Vanuatu Interactive Gaming Licence:

Disciplinary action means any one or more of the following:

- the cancellation or suspension of a Vanuatu Interactive Gaming Licence;
- the cancellation or suspension of a gaming endorsement;
- the amendment of the conditions to which a Vanuatu Interactive Gaming Licence is subject;
- the issuing of a letter of censure.

Among other issues grounds for disciplinary action may include:

- the Licensed Provider is no longer suitable to hold a Vanuatu Interactive Gaming Licence or an endorsement;
- an associate of the Licensed Provider is no longer suitable to be an associate;
- the Licensed Provider has contravened a provision of the Interactive Gaming Act 2000;
- the Licensed Provider has been found guilty of an offence involving fraud or dishonesty;
- the Licensed Provider has failed to discharge financial obligations to a player or to the State;
- the Licensed Provider is bankrupt;
- the Licensed Provider is affected by control action under Corporations Law; and
- the Vanuatu Interactive Gaming Licence was obtained by a materially false or misleading representation or in some other improper way.



## DEFINITIONS

### Term Definition

**Associate** Means an 'associate' of an applicant is any person who:

1. holds or will hold any relevant financial interest, or is or will be entitled to exercise any relevant power (whether in right of the person or on behalf of any other person), in the gaming business to be conducted by the applicant or the Licensed Provider and, by virtue of that interest or power, is able or will be able to exercise a significant influence over, or with respect to, the management or operation of that business; or
2. holds, or will hold, any relevant position, whether in right of the person or on behalf of any other person, in the gaming business to be conducted by the applicant or licence holder, or
3. holds a share of 5 per cent or more in the capital of the applicant company; or
4. is a relative of the applicant or Licensed Provider.

Fixed odds wagering An activity of the Licensed Provider to accept fixed odds wagers in respect of a fixed odds wagering event.

**Fixed Odds Wagering Event** Means any event where the Licensed Provider accepts fixed odds wagers, and may include real car races, real horse race, real harness race and real greyhound race or other types of races.

**Game** Means a game of chance or a game that is partly a game of chance and partly a gaming requiring skill.

**Gaming Activity** Means the wagering in a contingency relating to any sports event, fixed odds wagering event, simulated game, major lottery, pools or prescribed event if that event, simulated game, major lottery, pools or prescribed event is not a prohibited activity.

**Gaming Business** Means the business of a licensed provider conducted under the authority of a Vanuatu Gaming Licence in respect of a gaming endorsement.

**Gaming Equipment** Means:

1. Linked jackpot equipment and an electronic monitoring system; and
2. An electronic, electrical or mechanical device specifically designed, customised or installed for use in connection with gaming or a gaming activity; and
3. Computer software specifically designed customised or installed for use in connection with gaming or a gaming activity; and
4. Any other device used, or capable of being used, for or in connection with gaming or a gaming activity; and
5. A part of, or a replacement part for, gaming equipment.

**Licensed Provider** Means the holder of a Vanuatu Interactive Gaming Licence.

**Lottery** Means a scheme or device for the distribution of a prize by way of sale, gift or otherwise if the prize consists of a right to any real or personal benefit or real or personal thing; and the distribution involves an element of chance for which a payment or other consideration is made or given.



**Major Lottery** Means a lottery of a class that the Regulator determines to be a major lottery.  
**Relative** Means spouse (including de facto spouse), parent, child or sibling (whether of the full or half blood)

**Relevant Financial Interest** In relation to a business means:

- a) any share in the capital of the business; or
- b) any entitlement to receive any income derived from the business.

**Relevant Position** in relation to a business means the position of director, manager or other executive position or secretary, however that position is designated.

**Relevant Power** Means any power whether exercisable by voting or otherwise and whether exercisable alone or in association with others:

- a) to participate in a directional, managerial or executive decision; or
- b) to elect or appoint any person to any relevant position.

**Simulated Game** Means a computer-generated simulated game where:

- 1. a prize consisting of money or something else of value is offered or can be won under the rules of the game; and
- 2. a player
  - a. enters the game or takes any step in the game by means of a telecommunications device; and
  - b. pays a monetary payment or other valuable consideration to participate in the game; and
- 3. the winner of a prize is decided wholly or partly by chance.

**Sports Event** Means any of the following activities:

- 1. a real race between
  - a. humans, or team or groups of human competitors; or
  - b. mechanical, or teams or groups of mechanical competitors; or
  - c. animal or teams or groups of animal, competitors, other than a horse race, harness race, or greyhound race; or
  - d. a mixture of human, mechanical or animal, or teams or groups of human, mechanical, animal or mixed human, mechanical and animal, competitors;
- 2. a real sport, game, fight, exercise or pastime, whether involving individual competitors or teams or groups of competitors;
- 3. A prescribed activity.

**Telecommunications Device** Means:

- 1. A computer adapted for communicating by way of the Internet or another communications network; and
- 2. a television receiver adapted to allow the viewer to transmit information by way of a cable television network or another communications network; and
- 3. a telephone; and
- 4. any other electrical or electronic device for communicating at a distance.



All enquiries relating to this document should be sent to:

The Regulator of Interactive Gaming  
C/O Global Gaming Regulators  
PO Box 3113  
Port Vila  
Vanuatu  
[enquiries@gamingregulator.com](mailto:enquiries@gamingregulator.com)