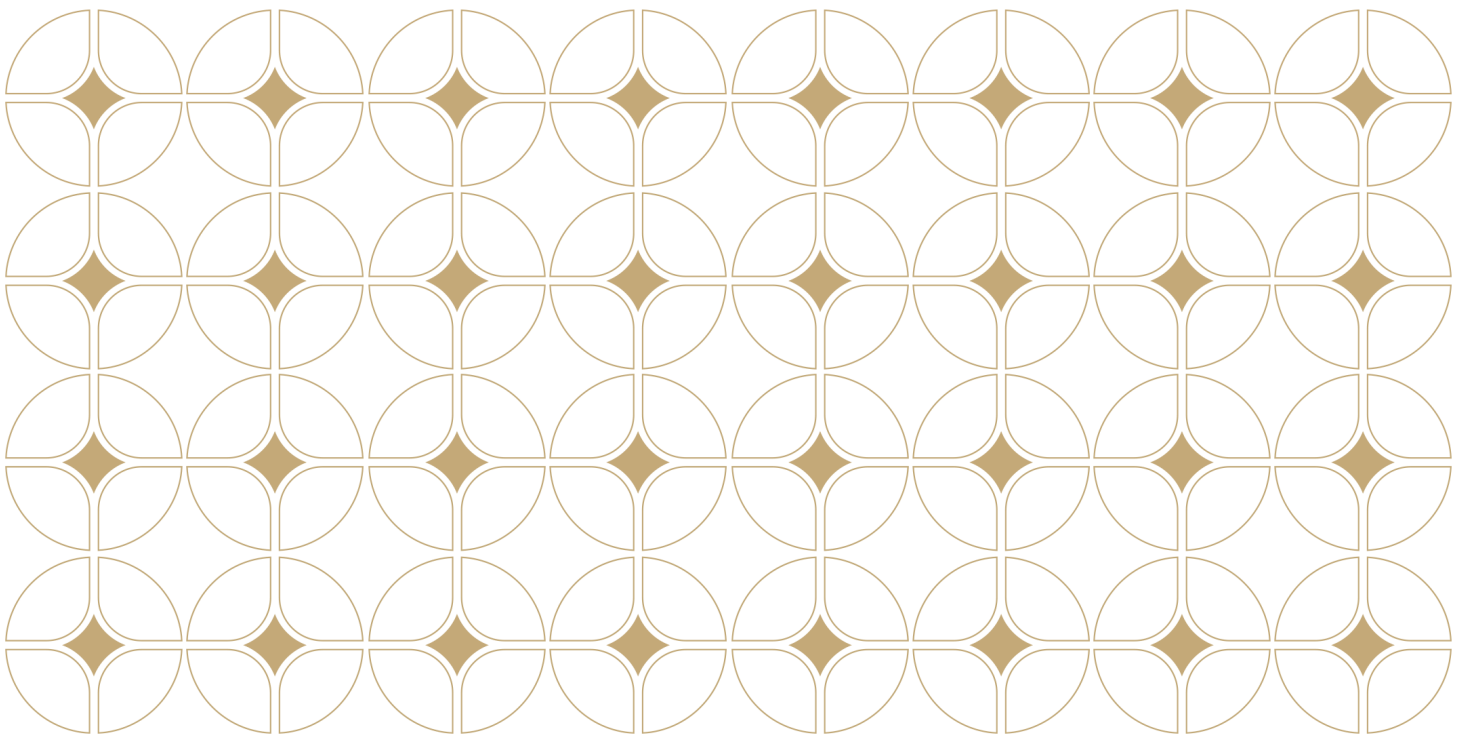


GCGRA's Guide to Obtaining a Commercial Gaming License in the UAE

01 May 2024



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DISCLAIMER

This document is a guide to the process which will be required to follow) from the General Commercial Gaming Regulatory Authority (referred to throughout as the **Authority** or the **GCGRA**). It is intended to provide general information and guidance only and does not constitute or replace any legal, regulatory, or other professional advice. The Authority does not accept any responsibility or liability for any loss or damage arising from any reliance on or use of this document or its contents.

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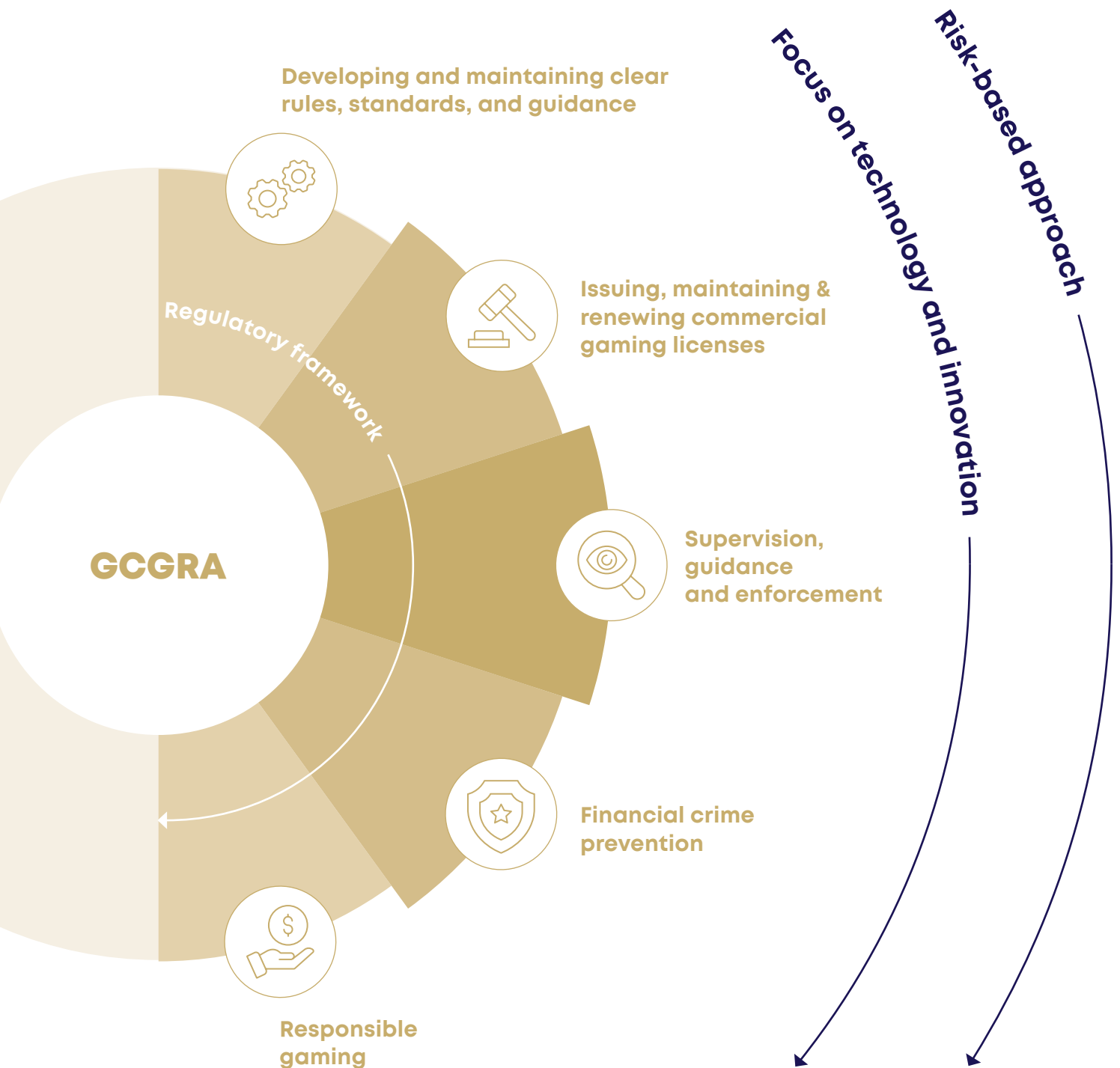
This guide intends to provide potential Applicants for commercial gaming licenses in the UAE with a helpful overview of the process to be followed when applying to the General Commercial Gaming Regulatory Authority (referred to throughout this guide as the **Authority** or the **GCGRA**) for any such license.

The guide addresses various subjects, including the core pillars of the GCGRA, whether or not an interested entity or individual needs to apply for a license and, how to initiate an application; the likely information an applicant will be required to provide as part of their application; the ongoing obligations and requirements on a successful licensee; and the issues applicants should consider as part of their decision-making processes, including the applicable fees and payments.



About the GCGRA

The GCGRA has been established as the federal authority to establish and oversee a world-leading regulatory framework for all lottery and commercial gaming activities in the UAE.



The regulatory framework of the GCGRA is world-leading and utilizes best practices to ensure the integrity of the industry while safeguarding players and promoting responsible commercial gaming.

The key pillars of the GCGRA's regulatory framework include, but are not limited to:



Developing and maintaining clear rules, standards, and guidance

The Authority seeks to foster a progressive regulatory framework, contributing to continuous improvement of gaming regulation while promoting responsible practices and keeping any illegal activity out of the commercial gaming industry in the UAE.

The Authority also seeks to work closely with other gaming regulators internationally; collaborate with relevant local authorities and stakeholders to raise awareness and achieve mutual benefits; maintain an open dialogue with the gaming industry to raise standards; and to issue additional guidance and other relevant documents to operators, as well as players and the public.



Issuing, maintaining & renewing commercial gaming licenses

The GCGRA is responsible for issuing, maintaining, and renewing commercial gaming licenses for entities and individuals who wish to conduct business in the commercial gaming industry in the UAE, as well as providing them with advice and guidance. Carrying out any commercial gaming activity in the UAE without holding the relevant license by the GCGRA is strictly prohibited.

Before granting or renewing a license, operators and individuals must demonstrate that they meet a range of requirements and submit information and supporting documentation through the GCGRA's web-based application the licensing portal. For more details on what an applicant must provide, how they must apply and the suitability criteria which are assessed by the GCGRA, see the relevant sections of this guide.



Supervision, guidance and enforcement

The GCGRA supervises licensees to ensure compliance with the GCGRA's rules and standards after they have been licensed. GCGRA will apply a risk-based approach to supervision to ensure that interactions with licensees are proportionate to the size and complexity of their activities. Maintaining a transparent relationship and an ongoing dialogue with licensees will help to manage the frequency and intensity of the supervisory approach. The GCGRA also strongly relies on the role of 'key persons' in determining whether an operator's culture, behavior, and sound governance complies with GCGRA requirements.

If firms and individuals fail to meet the GCGRA's rules and standards, the Authority has a range of disciplinary options available.



Financial crime prevention

The UAE has strict laws to combat money laundering, terrorism financing, financial crimes and corruption. The commercial gaming industry is potentially exposed to financial crime risks as part of daily operations with customers and other associated parties. The Authority is the competent authority to regulate and supervise financial crime prevention in the commercial gaming industry in the UAE. It is committed to promoting sound compliance practices within the industry.

To develop and maintain a sound regulatory framework in line with relevant international best practices (including, but not limited to, the recommendations issued by the Financial Action Task Force) and federal laws and regulations, the GCGRA seeks to have ongoing discussion and collaboration with relevant stakeholders, both locally and internationally, and with its licensees.

The key objectives of the Authority's approach to financial crime prevention include:

- Promoting sound practices concerning financial crime prevention compliance, setting clear rules, guidance and awareness sessions for its licensees;
- Contributing to the national agenda in combating financial crimes;
- Ensuring licensees can demonstrate sufficient internal controls, systems and processes concerning financial crime compliance. These include, but are not limited to:
 - periodic business risk assessment;
 - implementation of adequate policies, procedures, and governance structure;
 - players' due diligence;
 - transaction monitoring; and
 - internal and external reporting of suspicious transactions and activities.
- Ensuring that licensees continue to meet the Authority's rules and standards after they have been licensed through risk-based supervision.



Responsible gaming

The GCGRA holds socially responsible gaming at the core of everything it does. All licensed commercial gaming operations in the UAE must be conducted in a responsible manner to minimize any potential harm caused by commercial gaming activities to individuals, families and communities. The GCGRA, therefore, has a robust framework and set of objectives to achieve this which aims to provide structure for all GCGRA licensees; educate and promote the value of ethical and responsible behavior; and promote best practice in the provision of responsible gaming.

In addition to the key pillars, there are two overarching principles which underpin the regulatory framework:

Focus on technology and innovation

In an effort to achieve the highest standard of regulatory engagement, GCGRA has developed an end-to-end, centralized hub for all licensing and compliance matters (the licensing portal).









Using this and other frontier technology, the GCGRA aims to gather data and lead/support advanced research in the commercial gaming industry to gain valuable insights into consumer behavior, preferences, and industry trends. The outcome of this research will guide the proactive development of regulatory initiatives and actions - for example in relation to money laundering, fraud, problem gaming, data breaches etc.

Risk-based approach

The GCGRA is committed to employing a risk-based approach to the regulation of the commercial gaming industry in the UAE. In conducting its licensing, supervision and enforcement functions, the GCGRA will ensure that all requirements of, communications with and, where relevant, sanctions imposed on applicants and licensees are proportionate to the potential risk or situation. The Authority will seek to identify, assess and understand the potential harm caused by non-compliance with the GCGRA's regulations and appropriate mitigation measures will be employed in accordance with the perceived level of risk in all cases.

Licensing Process

License Application Process

- 1** Applicant completes and submits an Intake Form to the **GCGRA**.
Provide information such as the company name, key people, organization structure, licenses required, emirate where they want to operate, etc.
- 2** **GCGRA** conducts initial screening and provides Applicant with an Invitation to Licensing Portal
 Application Fee paid by Applicant
- 3** **GCGRA** provides Applicant access to the Licensing Portal
Provide detailed documentation including business, financial and corporate structure.
- 4** **GCGRA** conducts initial investigation and confirms to Applicant they are eligible for In-Principle Approval
 In-Principle Approval Fee paid by Applicant
 In-Principle Approval granted by **GCGRA**
Allows Applicant to incorporate corporate entity, obtain relevant permits/visas/licenses, opening of bank accounts, etc.
- 5**  **GCGRA** Conducts full review of the Application  **Applicant** If required, establish a presence in the UAE
- 6** **GCGRA** confirms Applicant suitability and Intent to Issue license
 License Fee paid by Applicant
 License granted to Applicant (with or without conditions)
 License term commences
- 7** When Licensee is ready for operations to commence, Licensee must demonstrate that all conditions have been satisfied
- 8** Where applicable, **GCGRA** to provide pre-opening checklist for completion by Applicant
 Certificate of Operation is granted
- 9** Operations can commence



For assistance contact:
licensing@gcgra.gov.ae

gcgra

الهيئة العامة لتنظيم الألعاب التجارية
General Commercial Gaming Regulatory Authority

No Person may operate or manage any activity related to **Commercial Gaming**, or establish or participate in the establishment of any **Gaming Facility** without first obtaining the required Licenses, approvals, and permits from the GCGRA and Local Entities.



What is 'Commercial Gaming'?

- Games of chance and/or skill; and where
- An amount of money is placed as a bet for the purpose of winning an amount of money

This includes:

- Any game conducted at a land-based Gaming Facility (e.g. slot machines, table games including blackjack, roulette, baccarat, craps, poker etc.)
- Lottery (e.g. where a player pays an amount of money for a ticket or bets for a ticket, which provides the player with a chance or opportunity to win a prize(s))
- Internet Gaming (e.g. Commercial Gaming conducted via the internet, on a computer / mobile / other digital device and within the UAE)
- Sports Wagering

What is a 'Gaming Facility'?

A "Gaming Facility" is a land-based, physical establishment, where Commercial Gaming takes place

Types of Licenses

There are five main categories of licenses that the GCGRA can grant to entities or individuals in connection with commercial gaming activities. In certain situations, entities may require multiple licenses.

Entity licenses

Individual licenses

A license is required from any *entity* or *individual* that falls within one or more of the following categories (each of whom is determined, by the GCGRA, to carry out commercial gaming activities in the UAE):

01

Gaming Operators

A license is required for any operator or manager whose activities fall under one or more of the following categories of license:

- A Gaming Facility Operator
- A Lottery Operator
- A Lottery Retailer
- Internet Gaming Operator
- Sports Wagering Operator

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Gaming-Related Vendors

The supplier of goods or services related to gaming equipment will be required to obtain a license to provide these goods and services in the UAE.

03

Key Person Corporate

Entities qualifying as a Key Person are required to apply for a license. Key Persons are the following:

- In respect of the Gaming Operator or Gaming-Related Vendor:
 - a. A Controller
 - b. An Affiliate
 - c. A Management Services Provider
- Any other person the GCGRA determines to be a key person by the GCGRA by virtue of their duties or status.

Affiliate: a Person that is subject to Control by another Person

Control: refers to a situation where, in relation to a Person (the 'controller') and an entity (the 'controlled entity'), any of the following circumstances exist: (i) the controller holds or is entitled to acquire, directly or indirectly, 15% or more of the economic rights of the controlled entity; (ii) the controller holds or is entitled to exercise, directly or indirectly, 15% or more of the voting rights of the controlled entity; (iii) the controller has the power, directly or indirectly, to appoint or remove a majority of the members of the board of directors or equivalent governing body of the controlled entity, by virtue of any contract, agreement, understanding or otherwise. In this context: 'economic rights' means the rights to receive income, return of capital, distributions or other financial benefits from the controlled entity; and 'voting rights' means the rights to vote at general meetings of the controlled entity or to appoint or remove members of its governing body

Controller: a Person who exercises Control over another Person

Executive Officer: a managerial employee or officer who performs the role of CEO, CFO, COO, or another similar senior position

Management Services Provider: a Person retained by a Gaming Operator to manage a Gaming Facility and provide services such as accounting, general admin, maintenance, recruitment, and other operational services

Gaming Employee: any employee of a Gaming Operator or Management Company but does not include a Key Person

Gaming Facility Operator: a Person licensed by the GCGRA to operate and manage a Gaming Facility

Person: any individual, body corporate (irrespective of where and how it is incorporated), unincorporated body or association, government or state, depending on the context

Types of Licenses

There are five main categories of licenses that the GCGRA can grant to entities or individuals in connection with commercial gaming activities. In certain situations, entities may require multiple licenses.

Entity licenses

Individual licenses

A commercial gaming license is also required from any individual who falls within one or more of the following categories:

04

Key Person Individual

Individuals that are considered to be a Key Person are required to apply for a license. Key Persons are the following:

- In respect of the Gaming Operator or Gaming-Related Vendor:
 - a. A Director
 - b. An Executive Officer
- In respect of a Controller, a Director
- In respect of an Affiliate, a Director or an Executive Officer
- Any other person considered to be a key person by the GCGRA by virtue of their duties or status.

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Gaming Employee

Certain other individuals who are considered key employees (other than those included in the Key Persons) will also require a license to operate. These employees are involved in the operation, supervision, and management of the gaming operation or play an important role for a Gaming-Related Vendor. There are two types of such license:

- **Occupational License Level 1:**
Required where the Gaming Employee is in a supervisory role.
- **Occupational License Level 2:**
Required where the Gaming Employee is not in a supervisory role but is otherwise involved, directly or indirectly, with the conduct of commercial gaming.

Affiliate: a Person that is subject to Control by another Person

Control: refers to a situation where, in relation to a Person (the 'controller') and an entity (the 'controlled entity'), any of the following circumstances exist: (i) the controller holds or is entitled to acquire, directly or indirectly, 15% or more of the economic rights of the controlled entity; (ii) the controller holds or is entitled to exercise, directly or indirectly, 15% or more of the voting rights of the controlled entity; (iii) the controller has the power, directly or indirectly, to appoint or remove a majority of the members of the board of directors or equivalent governing body of the controlled entity, by virtue of any contract, agreement, understanding or otherwise. In this context: 'economic rights' means the rights to receive income, return of capital, distributions or other financial benefits from the controlled entity; and 'voting rights' means the rights to vote at general meetings of the controlled entity or to appoint or remove members of its governing body

Controller: a Person who exercises Control over another Person

Executive Officer: a managerial employee or officer who performs the role of CEO, CFO, COO, or another similar senior position

Management Services Provider: a Person retained by a Gaming Operator to manage a Gaming Facility and provide services such as accounting, general admin, maintenance, recruitment, and other operational services

Gaming Employee: any employee of a Gaming Operator or Management Company but does not include a Key Person

Gaming Facility Operator: a Person licensed by the GCGRA to operate and manage a Gaming Facility

Person: any individual, body corporate (irrespective of where and how it is incorporated), unincorporated body or association, government or state, depending on the context

How to apply for a license

An Applicant must first notify the GCGRA of their intention to apply. Following receipt, the GCGRA will ask the Applicant to fill out an Intake Form, providing the GCGRA with basic details about the type(s) of license(s) an Applicant is seeking, as well as information allowing the GCGRA to perform initial screening.

Once satisfied that the Applicant is eligible to apply for a license, the GCGRA will provide the Applicant with secure access to the licensing portal where all information required in connection with the Application can be uploaded and submitted.

Application Information

Supporting documents will be needed in connection with an Application. Some items are specific to the license but typically the Applicant will need to provide the GCGRA with the following:

- Business Information:
 - Corporate documentation
 - Organization chart showing all related business entities
 - Description of business activities
- Directors and Officers information
- Financial information, including financial accounts
- Qualifying Domestic Entity (QDE) details
- Details of Key Persons
- Third-party details, including legal advisors, auditors and accountants
- Information on the Applicant's legal history (statutory, regulatory, financial, criminal, political)
- Overview of the responsible gaming plan to be put in place

A guiding principle of the GCGRA is to provide a seamless licensing process for all applicants and licensees. As such, we have created a cutting edge end-to-end **licensing portal** on which all applications, renewals and exchanges of information will be conducted

The portal provides users with:

- 24/7 global access
- Real-time updates
- Automatic workflows and progress reporting
- Fully interactive

A **QDE is a Qualifying Domestic Entity**, being a UAE company which has substantial business operations in the jurisdiction, and can satisfy other requirements relating to financial standing and operational history. An Applicant for a Operator license must have a relationship with one in order to obtain a license.

A close-up photograph of a hand holding a silver pen, writing on a checklist form. The form has a grid of checkboxes, some of which are already marked with checkmarks. The background is softly blurred, showing more of the form and the hand. The lighting is warm and focused on the pen tip.

Assessing an Applicant's suitability

A license is required for any Person the GCGRA determines, in its sole and absolute discretion, whose activities in the UAE require a license due to their activities relating to commercial gaming. Applicants, Licensees, Gaming-Related Vendor license holders, Occupational license holders, and Key Persons, shall have a continuing duty to update licensing information and to comply with all applicable GCGRA requirements for reporting and compliance.

An Applicant for a license shall, at all times, have the burden of demonstrating to the GCGRA, by clear and convincing evidence, that the Applicant is eligible, qualified, and suitable to be granted and retain the license for which the Application is made under the applicable licensing standards and requirements established by the GCGRA for the category of license being sought. A sample of some of the evidentiary requirements include the following:

Assessment criteria



Identity and ownership

The Applicant's identity and the identity of other people relevant to the Application. For example, the person who ultimately owns a corporation materially connected to the Applicant's business

- The ownership and control structure



Finances

Financial and other circumstances, past and present, and those of people relevant to the Application, including the resources likely to be available to carry out the licensed activities

- The reliability of the proposed budget and development costs
- Certainty of acquiring the needed assets and permits, and meeting other conditions and approvals
- The feasibility of the financing plan; must include an evaluation of financial conditions, the source of financing, and terms and conditions relating to funding



Integrity

The Applicant's honesty and trustworthiness and that of the people relevant to the Application

- Past and present compliance of the Applicant and its Controllers and Affiliates with gaming-related licensing requirements
- No convictions for a disqualifying offense
- No materially or substantially false or misleading information in the application



Competence

The experience, expertise, qualifications and history of the Applicants and employees or Affiliates relevant to the Application

- Experience in gaming industry



Criminality

The Applicant's criminal record and that of people relevant to the Application

- Criminal history
- Involvement in activity that poses a threat to the security, trade relations, or diplomatic reputation of the UAE
- Involvement in litigation or other legal disputes
- Involvement in proceedings in any jurisdiction in which regulation of gaming or gaming activities was an issue
- Failure to satisfy any judgments, orders or decrees of any court in any jurisdiction



Quality of the proposed operation

The quality of the operation(s) that is the subject of the license will be considered

- Quality of the proposed technology solutions
- Importance of any proposed infrastructure improvements, redevelopment of blighted areas, or clean-up of environmentally damaged areas
- Number and quality of jobs being proposed and any guarantees for minimum levels of employment

What is the cost of a license?

Application Fees

Before being given access to the licensing portal, an Applicant must pay the relevant Application Fee. This Application Fee(s) is determined by a schedule of fees approved by the GCGRA. All such Application Fees are non-refundable.

License Fees

A license fee is payable before granting of a license. A licensee is also responsible for a yearly maintenance amount. The term of the license is dependent on the type of license.

The timing for the payments is as follows:



In-Principle Approval

This is payable before the In-Principle Approval is granted and is equivalent to **10%** of the overall License Fee



License Fee

This is payable before the license is granted, and comprises the remainder of the fee payable



Yearly License Maintenance Fee

This is payable yearly, the amount being dependent on the license type

All such fees are non-refundable. Licenses are renewable upon expiry unless there is substantial evidence of gross non-compliance by the Licensee.

What duties and responsibilities will an Applicant and Licensee have?

In order for the GCGRA to uphold its mission to be the best in class, all Applicants and Licensees have a duty to continually uphold certain standards and conduct themselves in accordance with the GCGRA's requirements. These include:

Conduct

Acting professionally and with integrity is a central tenet of the GCGRA and is a requirement of all associated parties.

Knowledge of Requirements

A sound understanding and Application of all applicable rules and regulations is a basic requirement of the GCGRA. This includes local legislation and all rules adopted by an Operator.

Maintaining and updating information

Any material change in information (including, amongst other things, changes in jurisdiction, financial or criminal standing) or qualifications which go towards eligibility and suitability of the Applicant or license holder or any rejection, suspension or revocation of a gaming-related license jurisdiction must be notified to the GCGRA.

Cooperation and transparency

The GCGRA expects Applicants and license holders to fully cooperate with, and provide all requested information to, the GCGRA at all times.



الهيئة العامة لتنظيم الألعاب التجارية
General Commercial Gaming Regulatory Authority

