

HOW 4H AGENCY EVALUATES REGULATORY RISKS

iGaming is one of the most versatile industries when it comes to the geography of operation. We recognize that a growing gambling brand sees itself working in a number of regions simultaneously, but often underestimates the risks associated with accepting customers from distant and unregulated jurisdictions.

For companies that are looking for a solution to define and evaluate the regulatory risk level of operating in certain regions and jurisdictions we produce Regulatory Risks Evaluation Reports.

Our work on such reports is based on a set of questions that help us collect data on a particular jurisdiction(s) to get a snapshot of possible negative consequences of welcoming players from unregulated jurisdictions on our client's website.

When we complete the data collection stage, we start to work on the Report to present our findings to clients that they can further act upon. The key questions that we rely on to create our reports are laid out below:

1. Which verticals are regulated (if any)?
2. Are there any financial blockings / domain blockings? If yes, how actively does the regulator (or other authorities) conduct such blockings? When was the most recent blocking made?
3. Questions related to potential administrative liability:
 - Is there a risk of administrative proceedings for operating in the country and what is the level of this risk? Can they be repeatedly enforced?
 - Assessment of risk of enforcement of administrative laws and justification for such assessment (i.e. are there any known cases of cross-border prosecution)?
4. Questions related to potential criminal liability:
 - Is there a risk of application of criminal liability for operating in the country and what is the level of this risk?
 - Assessment of risk of enforcement of criminal laws and justification for such assessment (i.e. are there any known cases of cross-border prosecution).
5. Is there any liability for violation of the advertising rules?
 - If the answer to the previous question is yes, are there any known cases for cross-border prosecution?
6. How is the liability of offshore operators impacted by activities of the offshore operator that may constitute targeting the jurisdiction in an active manner (i.e. through advertisements in the local language and use of local payment methods)?
7. Are there any local taxes applicable to the offshore operators?
8. Assessment of risk of enforcement of liability for breaching of tax rules and justification for such assessment (i.e. are there any known cases of cross-border application of such liability)?
9. Does the regulation contain any "bad actor" clauses?

We are committed to spreading the right kind of information among the members of the international gambling community and therefore we welcome you to reach out to us and share your opinion on the approach that we use to assess the risk levels of operating in certain region.

We are looking forward to receiving your feedback at sayhi@4h.agency.



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