

SOVEREIGNTY GAMING ACT 2025

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PART I — PRELIMINARY

1. Title and Commencement

(1) This Act may be cited as the Sovereignty Gaming Act 2025.

(2) This Act shall come into force on a date determined by resolution of the Manager of Sovereignty SRL. The Manager may, by separate resolutions, specify different commencement dates for different provisions of this Act.

2. Purpose

(1) The purposes of this Act are to:

(a) establish an internal regulatory framework for the management and conduct of gaming activities operated by Sovereignty SRL internationally.

(b) protect participants and stakeholders through the promotion of integrity, fairness, and responsible gaming.

(c) ensure operational compliance with Costa Rican law and applicable international standards.

(d) prohibit gaming services being offered to citizens and residents of Costa Rica.

(e) prevent gaming-related crime, money laundering, and terrorist financing.

(f) provide for dispute resolution mechanisms between participants and Authority holders.

(g) enhance consumer protection and promote responsible gambling practices.

3. Application

(1) This Act applies to:

(a) all remote gaming services operated by Sovereignty SRL.

(b) all Authority holders and associated service providers approved under this Act.

(c) all players and participants accessing Sovereignty SRL services, excluding Costa Rican residents or citizens.

(2) This Act does not authorize gaming within Costa Rica or gaming services offered to Costa Rican residents.

4. Paramountcy

(1) This Act, and any regulations, codes of practice, or orders made under it, shall prevail over any inconsistent internal policy or guideline of Sovereignty SRL.

5. Interpretation and Definitions

(1) In this Act, unless the context otherwise requires:

"Act" means the Sovereignty Gaming Act 2025.

"Authority" means the Sovereignty Gaming Authority (SGA) established under this Act.

"ADR" means Alternative Dispute Resolution as provided for under this Act.

"Aggregator" means an Authority or entity offering a platform through which multiple games or gaming products are provided to players.

"AML" means Anti-Money Laundering.

"Applicant" means any person or entity applying for an Authority under this Act.

"Audit" means an independent review and verification of an Authority holder's operations, financials, and compliance.

"Manager" means the Manager of Directors of Sovereignty SRL.

"B2Bn " means an Authority granted to suppliers providing services or

software to gaming operators.

"B2C Authority " means an Authority granted to an operator offering gaming directly to participants.

"Costa Rican Resident" means a natural person domiciled in Costa Rica or otherwise restricted by Costa Rican law from participating in gaming activities.

"Data Protection Law" means Law No. 8968 of Costa Rica on the Protection of the Individual Against the Processing of Personal Data.

"Executive Manager" means an individual with authority to make operational decisions for an Authority holder.

"Game of Chance" means a game in which the outcome is determined wholly or predominantly by chance.

"Game of Skill" means a game in which success is determined predominantly by a player's skill rather than chance.

"Gaming Service" means any activity involving betting, wagering, games of chance, games of skill, or lotteries conducted remotely.

"Key Person" means any person holding a significant influence or decision-making authority within an Authority holder entity.

"Authority " means an authorization granted under this Act.

"Authority Holder" means an entity or individual Authority d under this Act.

"Participant" means a player engaging in gaming activities through an Authority holder.

"Platform Provider" means an Authority holder supplying technological platforms to operators.

"Remote Gaming" means gaming conducted via telecommunications networks including the internet, mobile, satellite, and wireless communication.

"Responsible Gambling" means a set of policies and practices aimed at preventing and reducing gambling-related harm.

"Stakeholder" means any individual or entity with a legitimate interest in the

operations of Sovereignty SRL or its Authority.

(2) Words importing the singular shall include the plural and vice versa; words importing the masculine gender shall include the feminine gender and vice versa.

PART II — ESTABLISHMENT OF THE SOVEREIGNTY GAMING AUTHORITY (SGA)

6. Establishment of the Authority

(1) There is hereby established a regulatory body known as the Sovereignty Gaming Authority (SGA).

(2) The Authority shall have all powers necessary to administer this Act, issue and regulate Authority s, ensure compliance, and protect players and stakeholders.

7. Functions of the Authority

(1) The primary functions of the Authority are:

- (a) granting, renewing, suspending, and revoking Authority s
- (b) conducting audits, inspections, and investigations.
- (c) issuing and enforcing Codes of Practice and technical standards.
- (d) administering dispute resolution processes (ADR)
- (e) developing and implementing responsible gaming policies.
- (f) liaising with financial institutions, auditors, and regulators as necessary.
- (g) reporting annually to the Manager of Directors.

8. Composition of the Authority

(1) The Authority shall consist of any appointed members or contractors:

(2) Members or contractors shall be appointed by resolution of the Manager of Sovereignty

(3) The Manager shall ensure that members possess professional qualifications and experience in law, finance, gaming regulation, or compliance.

9. Appointment and Removal of Members or contractors

(1) Members shall be appointed following a transparent selection process.

(2) A member may be removed before the expiry of their term for:

- (a) misconduct.
- (b) inability to perform duties.
- (c) breach of fiduciary duty.
- (d) conviction of an indictable offense.
- (e) insolvency or bankruptcy.

10. Meetings of the Authority

(1) The Authority shall convene meetings at least once every 6 months.

11. Powers of the Authority

The Authority may: Provide or

- (a) issue binding Codes of Practice and technical standards.
- (b) prescribe and collect Authority fees and fines.
- (c) authorize audits and inspections.
- (d) summon persons for hearings.
- (e) impose administrative penalties up to USD 50,000 per offense.
- (f) publish annual reports.
- (g) collaborate with external auditors, investigators, and ADR providers.

PART III — AUTHORITY FRAMEWORK

12. Authority Objectives

- (1) The Authority system established by this Act shall be aimed at:
- (a) Ensuring that all gaming operations are conducted honestly and fairly.
 - (b) Protecting players and public interest.
 - (c) Preventing criminal infiltration into gaming operations.
 - (d) Promoting innovation and competition in a controlled manner.
 - (e) Encouraging responsible gaming practices.

13. Categories of Authority

- (1) The Authority may issue the following categories of Authority s:
- (a) Remote Gaming Operator Authority permitting the operation of remote gaming platforms directed at international players.

- (b) B2B Software Supplier Authority permitting the provision of gaming software or critical technical supplies.
 - (c) Platform Aggregator Authority permitting aggregation of games from various suppliers for redistribution to operators.
 - (d) Affiliate Marketing Authority permitting the marketing and promotion of gaming services.
 - (e) Game of Skill Authority permitting games predominantly determined by player skill.
 - (f) Social Gaming Authority permitting games without stakes in money or money's worth.
- (2) Authority s may specify further conditions or sub-categories as determined by the Authority.

14. Application for an Authority

(1) Applications for an Authority must be submitted in the prescribed form, together with:

- (a) Full corporate registration documents.
- (b) Personal Disclosure Forms for directors, shareholders (over 5%), and key persons.
- (c) Business Plan detailing target markets, compliance strategies, and operational policies.
- (d) Financial Projections and audited accounts (if applicable)
- (e) AML, KYC, and Responsible Gambling Policies.
- (f) Third-party certification of gaming software and platform integrity.
- (g) Payment of the applicable application fee.

15. Processing of Applications

(1) Upon receipt of a complete application, the Authority shall:

- (a) Acknowledge receipt within five (5) business days.
- (b) Conduct due diligence on the applicant, including background checks on key

persons.

(c) Review the financial, operational, and compliance capacity of the applicant.

(d) Request further information as necessary.

(2) The Authority shall render a decision within sixty (60) days unless extended for cause.

16. Granting of Authority

(1) An Authority shall be granted if:

(a) The applicant satisfies the fit and proper person test.

(b) The applicant demonstrates financial integrity and operational competence.

(c) The gaming services are structured to comply with Costa Rican law and exclude Costa Rican residents.

(2) The Authority may impose conditions on the Authority as deemed necessary for regulatory purposes.

17. Refusal of Applications

(1) An application may be refused where:

(a) The applicant fails to meet the Authority criteria.

(b) False or misleading information has been provided.

(c) A key person has a criminal history or adverse regulatory findings.

(2) The Authority must provide written reasons for any refusal.

(3) The applicant may appeal a refusal to the Manager of Directors within thirty (30) days.

18. Renewal of Authority

(1) Authority s shall be valid for one (1) year and are renewable upon:

(a) Submission of a renewal application at least sixty (60) days before expiry.

(b) Demonstration of continued compliance with this Act.

(c) Payment of renewal fees.

19. Variation, Suspension, and Revocation

(1) The Authority may vary, suspend, or revoke an Authority where:

- (a) Breach of an Authority condition occurs.
 - (b) Financial instability endangers players' funds.
 - (c) Criminal activities are detected.
 - (d) False or misleading information was relied upon to grant the Authority.
- (2) Authority holders shall be given an opportunity to be heard before revocation except in urgent cases requiring immediate action to protect players.

PART IV — OBLIGATIONS OF AUTHORITY HOLDERS

20. General Conduct

- (1) Authority holders must:
- (a) Conduct gaming operations honestly, fairly, and transparently.
 - (b) Act in the best interests of players.
 - (c) Maintain operational resilience and business continuity measures.

21. Anti-Money Laundering (AML) and Counter Terrorist Financing (CTF)

- (1) Authority holders shall:
- (a) Implement AML and CTF policies in accordance with Costa Rican and international standards.
 - (b) Conduct customer due diligence (CDD) on all players at account opening and during the relationship.
 - (c) Monitor transactions and report suspicious activities to competent authorities.

22. Know Your Customer (KYC) Requirements

- (1) Before allowing participation, Authority holders must verify:
- (a) Full legal name.
 - (b) Date of birth (minimum age 18 years)
 - (c) Address and country of residence.
 - (d) Source of funds if deemed necessary under risk-based AML assessment.
- (2) Players from Costa Rica must be strictly excluded based on IP detection, document verification, and self-declaration.

23. Player Fund Protection

(1) Authority holders shall:

- (a) Segregate player funds from operational accounts.
- (b) Maintain player funds in designated safeguarded accounts with approved financial institutions.
- (c) Ensure player funds are protected in the event of insolvency.

24. Responsible Gambling Obligations

(1) Authority holders must:

- (a) Provide self-exclusion tools allowing players to limit or block their own participation.
- (b) Offer deposit, loss, and time limits.
- (c) Train customer-facing staff in responsible gambling practices.
- (d) Display responsible gambling logos and warning notices on all marketing materials and websites.

25. Record Keeping

(1) Authority holders must:

- (a) Maintain transaction logs, account information, and customer interactions for a minimum of five (5) years.
- (b) Ensure availability of such records for audits and regulatory inspections.

26. Technical Standards and Software Integrity

(1) All gaming systems must:

- (a) Be independently tested and certified for fairness, randomness, and functionality.
- (b) Implement robust cybersecurity defences to prevent data breaches or manipulation.

27. Advertising and Marketing

(1) Advertising must:

- (a) Be truthful and not misleading.

- (b) Not target minors or vulnerable individuals.
- (c) Not suggest that gaming is a solution to financial problems.
- (d) Include responsible gaming warnings.
- (e) Clearly prohibit participation by Costa Rican residents and citizens.

PART V — ENFORCEMENT AND INVESTIGATIONS

28. Monitoring and Inspection Powers

(1) The Authority shall have the right to:

- (a) Conduct scheduled and unscheduled audits and inspections.
- (b) Require Authority holders to produce documents, systems access, records, and information.
- (c) Interview employees, agents, and players if necessary.

(2) Inspections may be conducted:

- (a) Physically at operational offices or data centres.
- (b) Remotely by requesting data and evidence through secure communication channels.

29. Investigations

(1) The Authority may initiate an investigation if:

- (a) There are reasonable grounds to believe that an Authority holder has breached this Act or its Authority conditions.
- (b) A serious player complaint suggests regulatory violations.
- (c) There are indications of criminal activities including fraud or money laundering.

(2) Investigations shall adhere to the principles of:

- (a) Procedural fairness.
- (b) Proportionality.
- (c) Right to be heard.

30. Enforcement Actions

(1) Upon finding violations, the Authority may impose:

- (a) Written warnings.
- (b) Administrative penalties up to USD 50,000 per breach.
- (c) Suspension of Authority for a defined period.
- (d) Revocation of Authority in cases of serious, repeated, or unremedied breaches.

31. Right to Appeal Enforcement Actions

- (1) Authority holders shall have the right to:
 - (a) Submit written representations against intended enforcement actions.
 - (b) Request an internal review by a separately appointed review panel within the Authority.
 - (c) Appeal final decisions to the Manager of Directors within thirty (30) days of decision notification.

PART VI — ALTERNATIVE DISPUTE RESOLUTION (ADR)

32. Complaints Handling by Authority Holders

- (1) Authority holders shall:
 - (a) Establish internal complaints process accessible via website and email.
 - (b) Acknowledge receipt of complaints within seventy-two (72) hours.
 - (c) Resolve complaints within thirty (30) calendar days of receipt.
- (2) Complaints shall include disputes related to:
 - (a) Account closures.
 - (b) Bonus and promotional offers.
 - (c) Payment withdrawals.
 - (d) Alleged breaches of responsible gambling obligations.

33. Referral to ADR

- (1) If unresolved internally, players may escalate complaints to an ADR entity authorized by the Authority.
- (2) Authority holders must cooperate fully with ADR processes.

34. ADR Procedures

- (1) ADR shall involve:

(a) Stage 1 — Informal Mediation: Facilitated discussions between player and Authority holder.

(b) Stage 2 — Formal Written Arbitration: Submission of evidence, decision issued by the ADR entity within sixty (60) days.

(2) ADR decisions shall be:

(a) Binding on Authority holders.

(b) Not binding on players, who may still pursue remedies through courts.

35. Costs of ADR

(1) The ADR process shall be provided free of charge to players.

(2) Authority holders shall bear reasonable administrative costs associated with ADR proceedings.

PART VII — GOVERNANCE AND AMENDMENTS

36. Codes of Practice

(1) The Authority may issue, amend, or revoke Codes of Practice to elaborate operational standards under this Act.

(2) Codes of Practice shall be:

(a) Binding on all Authority holders.

(b) Published on the official website of Sovereignty SRL.

(c) Deemed incorporated into each Authority agreement.

37. Amendment of the Act

(1) This Act may be amended by:

(a) A proposal initiated by the Authority.

(b) Approval by a two-thirds (2/3) majority resolution of the Manager of Directors.

(2) Amendments shall take effect:

(a) Thirty (30) days after publication, unless otherwise specified.

(b) Subject to transitional measures if required to ensure smooth compliance.

38. Transitional Provisions

(1) Existing Authority holders shall align operations with amendments within ninety (90) days of enactment unless otherwise specified.

39. Annual Report

(1) The Authority shall publish an Annual Report summarizing:

- (a) Authority activities.
- (b) Enforcement actions.
- (c) Financial audits.
- (d) ADR outcomes and statistics.
- (e) Regulatory updates and changes.

PART VIII — LEGAL FRAMEWORK

40. Governing Law

(1) This Act shall be governed by and construed in accordance with the laws of the Republic of Costa Rica.

41. Jurisdiction

(1) Any disputes arising out of or relating to this Act shall fall under the exclusive jurisdiction of the competent courts of Costa Rica.

42. Severability

(1) If any provision of this Act is held to be invalid or unenforceable, the remainder shall remain in full force and effect.

43. Entirety of the Act

(1) This Act constitutes the entire regulatory framework for Sovereignty SRL's gaming operations and supersedes any prior internal regulations inconsistent with its terms.

44. Force Majeure

(1) Authority holders shall not be liable for failure to comply with obligations due to force majeure events, including but not limited to natural disasters, war, terrorism, or acts of government, provided prompt notification to the Authority is made.

45. Commencement

(1) This Act shall enter into force on [Effective Date] as determined by resolution of the Manager of Sovereignty SRL.

SCHEDULE 1 — AUTHORITY APPLICATION FORM

1. Applicant Details

Full Legal Name of Applicant Entity:

Trading Name (if different):

Company Registration Number:

Country of Incorporation:

Date of Incorporation:

Registered Address:

Principal Place of Business Address:

Contact Person Name:

Position:

Email Address:

Phone Number:

2. Corporate Structure

Attach certified copies of:

Certificate of Incorporation

Memorandum and Articles of Association

Corporate organizational chart (including UBOs)

List of Directors and Key Persons:

Full Name

Position

Nationality

Passport/ID Number

3. Ownership Details

Shareholder Name(s) and Percentage Ownership:

Ultimate Beneficial Owner(s) details:

Full Legal Name

Residential Address

Date of Birth

Nationality

4. Nature of Gaming Operations

Type(s) of Authority Applied For (tick applicable):

Remote Gaming Operator

Platform Aggregator

B2B Software Supplier

Affiliate Marketing

Game of Skill Provider

Social Gaming Authority

Description of Gaming Services Offered:

Target Jurisdictions (countries):

5. Compliance Framework

Attach:

AML Policy

KYC Policy

Responsible Gambling Policy

Data Protection Policy

Internal Complaints Handling Procedures

6. Financial Standing

Attach:

Latest 2 Years Audited Financial Statements

12-Month Business Plan and Financial Projections

Bank References

7. Technical Standards

Description of Gaming Platform Technology

Third-Party Software Providers (if applicable)

Independent Testing Certificates (if available)

8. Declaration

I, the undersigned, hereby declare that:

The information provided in this application is true, complete, and accurate.

I authorize the Sovereignty Gaming Authority to conduct necessary background checks.

I understand that any material misrepresentation may result in denial or revocation of any Authority issued.

Signature: _____

Name: _____

Date: _____

SCHEDULE 2 — ANNUAL COMPLIANCE CERTIFICATE

1. Authority Holder Information

Authority Holder Name:

Authority Number:

Reporting Period (Year Ending):

2. Compliance Declaration

I, [Compliance Officer Name], confirm that during the above period:

The Authority Holder operated in full compliance with the Sovereignty Gaming Act 2025.

All AML/KYC procedures were followed, and suspicious activities reported as required.

No gaming services were offered to Costa Rican residents or citizens.

Player protection and Responsible Gambling measures were maintained.

3. Financial Assurance

Player funds were segregated and safeguarded at all times.

Annual audited financial statements are attached.

4. Complaint and ADR Summary

Total Complaints Received:

Total Resolved Internally:

Total Referred to ADR:

Summary of ADR Outcomes:

5. Attachments

Audited Financial Statements

Internal Audit Reports

Updated AML/KYC Policies (if amended)

6. Declaration

Signature: _____

Compliance Officer Name: _____

Position: _____

Date: _____

SCHEDULE 3 — ADR COMPLAINT FORM

1. Complainant Information

Full Name:

Residential Address:

Email Address:

Contact Phone Number:

Country of Residence:

2. Disputed Authority Holder Information

Name of Authority Holder:

Website Address or Platform Name:

Authority Number (if known):

3. Complaint Details

Nature of Dispute:

Payment Issue

Bonus or Promotion Dispute

Account Closure

Responsible Gambling Breach

Other (please specify): _____

Detailed Description of Dispute: (Attach additional pages if needed)

4. Supporting Evidence

Please attach:

Email communications

Screenshots

Terms and Conditions referred to

Payment confirmations or records

5. Resolution Sought

Specify what outcome you seek:

(e.g., refund, reopening of account, bonus credit, apology, policy review)

6. Declaration

I certify that:

The facts set out above are true and correct to the best of my knowledge.

I have attempted to resolve this dispute directly with the Authority Holder.

I agree to participate in the ADR process conducted under the Sovereignty Gaming Authority Rules.

Signature: _____

Name: _____

Date: _____

Copyright and Authorship Statement

This document, the Sovereignty Gaming Act 2025, is an original internal regulatory

framework developed specifically for Sovereignty SRL, a Costa Rica-registered company, to

govern its international gaming operations.

It has been independently drafted, customized, and adapted to reflect:

The business activities of Sovereignty SRL.

Compliance with Costa Rican law.

Targeting of international (non-Costa Rican) markets.

Unique operational standards including responsible gaming, AML/KYC, player protection, and ADR mechanisms.

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