



FAQs

What permit is issued for prediction markets?

A Prediction Market Permit, issued by the Tobique Prediction Market Authority under the Tobique Prediction Markets Act 2026.

Is a Prediction Market Permit the same as a gaming licence?

No. The Permit is separate from a gaming licence issued under the Tobique Gaming Act 2023. It does not cover casino gaming, lotteries or fixed-odds bookmaking.

Which market models can be approved?

Peer-to-peer, central limit order book, request-for-quote, automated market maker, principal, externally hedged and hybrid models. Operators must disclose whether they match Participants, act as counterparty or hedge externally.

How long is a Permit valid?

One (1) year, renewable annually. Renewal applications must be filed at least three (3) weeks before expiry.

What is the application timeframe?

Four (4) to eight (8) weeks from receipt of a complete application.

Is there a requirement to appoint a compliance officer?

Yes. All operators must appoint a compliance officer/MLRO, appropriate to the size of the entity and the volume of its business.

Is there any local tax in Tobique based on the revenue generated from prediction market activity?

No.

Can a Permit Holder accept fiat currency from Participants?

No. Permit Holders must not receive, hold, transfer or settle fiat funds for Participants. Fiat-to-digital-asset conversion must take place through an approved External Conversion Provider, outside the Permit Holder's platform.

Which assets can be used for funding, trading and settlement?

Only Digital Assets and Stablecoins approved by the Authority. Assets with anonymity or obfuscation features, or whose transfers cannot be traced, are prohibited.

Is blockchain transaction monitoring mandatory?

Yes. Operators must use the blockchain assurance provider that has been approved by the Authority to screen on-chain deposits and withdrawals against sanctions and illicit-finance risk.

What territories are restricted under the Permit?

Any Tobique restricted countries, in addition to FATF black-listed and sanctioned countries.



Technical, Server and Data Requirements

Are there any server location requirements?

No. There is no requirement for a physical server presence in the Territory and platforms may be cloud-hosted. The Authority and its service providers must have timely access to records, systems and data if required.

What data must be retained, and for how long?

At least seven (7) years. The audit trail must allow full trade reconstruction, including orders, cancellations, executions, Participant identifiers, timestamps, prices, positions, funding and settlement.

Are there requirements for smart contracts and automated systems?

Yes. Smart contracts, oracles and algorithms used for trading, custody or settlement must be risk assessed, tested, monitored and change-controlled, with independent code review where material, and the ability to pause or upgrade defective code.

Must technology changes be notified?

Yes. Material changes to matching engines, surveillance, custody, wallet architecture, settlement, smart contracts or payment routing must be tested, approved and notified to the Authority before deployment.

Are business continuity and disaster recovery plans required?

Yes. Plans must cover critical functions, recovery objectives and orderly suspension or settlement, and be tested at least annually and after any material change.

Are there incident reporting requirements?

Yes. Material cyber incidents, prolonged outages, loss of Participant Assets, erroneous settlement and data breaches must be reported to the Authority promptly, with impact, containment and root-cause analysis.

Policies and Procedures

What policies and procedures must an operator have in place?

At a minimum:

- AML/CFT/CPF Policy
- Event Contract Governance and Listing Policy
- KYC, Participant Onboarding, Disclosures and Appropriateness Policy
- Complaints and ADR Procedure
- Virtual Asset Policy

Is independent testing required?

Yes. The AML/CFT/CPF framework must be independently tested annually. The Authority may also require independent audits or skilled-person reviews at the operator's expense.