

THE AVAILABILITY OF SPORTS BETTING PRODUCTS: AN ECONOMIC AND INTEGRITY ANALYSIS.



PRODUCED BY

ON BEHALF OF



GOALIES

+

+



04 Executive Summary

12 Introduction

Methodology	12
Terminology	13
Partners	13

14 Global Sports Betting Market

Overview	15
Jurisdictions in this Report	16

18 Availability of Betting

Overview	19
Licensing v Monopoly	19

22 In-Play Betting

Overview	23
Alert Data	24
Consumer Demand	24

26 Football (Soccer) Betting

Overview	27
Leagues and Competitions	29
Competition Catalogue	30
Competition Tiers	30
Friendly Matches	31
Main Betting Markets	32
Alert Data	32
Consumer Demand	34
Side Betting Market	34
Alert Data	35
Betting on Cards	36
Betting on Corners	36
Consumer Demand	37

38 Tennis Betting

Overview	39
Alert Data	40
ITF Tour	41
Consumer Demand	43

46 Basketball Betting

Overview	47
Alert Data	48
Consumer Demand	49

50 Product Integrity

Overview	51
Market Monitoring	51

54 Emerging Markets

Overview	55
Case Study: Brazil	55

57 Recommendations

Maximising Onshore Activity	58
Alternatives To Prohibition	58
Sports Betting Integrity	59

60 Annex A: Jurisdictional Assessment

Australia	60
Brazil	61
Canada (ex. Ontario)	61
Denmark	62
Germany	62
Great Britain	63
Italy	63
Netherlands	64
Ontario	64
Portugal	65
Spain	65
Sweden	66

67 Annex B: Market & Alert Calculations



**EXERCISE
SCHEDULE**

ABOUT THE STUDY

The purpose of this study is to provide a data-driven evidence base upon which policymakers can make more informed judgements about the availability of regulated sports betting products and how best to respond to growing consumer demand for these products, while strengthening oversight of the onshore market and the fight against match-fixing. It has been prepared by **H2 Gambling Capital (H2)** for the **International Betting Integrity Association (IBIA)** and its partners, the **Instituto Brasileiro de Jogo Responsável (IBJR)**, **Canadian Gaming Association (CGA)**, **Netherlands Online Gambling Association (NOGA)** and **Responsible Wagering Australia (RWA)**.

The study analyses and compares the availability of sports betting products, notably online, in 12 jurisdictions where there is currently a wide variation of regulatory approach, namely: Great Britain, Italy, Ontario, Denmark, Spain, Sweden, Netherlands, Portugal, Australia, Germany, Canada (excluding Ontario) and Brazil; the latter in the emerging markets section. As such, it covers jurisdictions in Europe, Asia/Oceania, North and South America. The US market is not specifically included due to the number and variety of state regulatory models but may be the subject of bespoke analysis at a future stage.

Regulated global sports betting is forecast to be worth \$94bn in gross gambling revenue (GGR) in 2024, with 65% (\$61bn) generated via online bets, and is forecast to reach approximately \$132bn by 2028, with over 70% (\$93bn) online. This study and its analysis focuses on the core sports betting products - in-play, football, tennis and basketball betting - that drive that growth globally. It assesses the market impact of the availability of those core sports betting products based on actual operator data, IBIA alert data, and H2's own market data. As such, it provides as comprehensive an assessment of the current state of play as is possible at this time. The central finding of the study is that, alongside other regulatory and economic factors – including taxation and advertising policy – there is a strong correlation between the availability of sports betting products and onshore channelling.

\$94bn GLOBAL SPORTS
BETTING GGR 2024



ONLINE SPORTS BETTING PRODUCT AVAILABILITY

	BET TYPE	Football (soccer)	Tennis	Basketball	OPERATOR LICENSING	CHANNELLING	
						2022	2024e
GREAT BRITAIN	Pre-match	✓	✓	✓	✓	98%	97%
	In-play	✓	✓	✓			
ITALY	Pre-match	✓	✓	✓	✓	93%	94%
	In-play	✓	✓	✓			
ONTARIO	Pre-match	✓	✓	✓	✓	69%	92%
	In-play	✓	✓	✓			
DENMARK	Pre-match	✓	✓	✓	✓	89%	90%
	In-play	✓	✓	✓			
SPAIN	Pre-match	✓	✓	✓	✓	84%	90%
	In-play	✓	✓	✓			
SWEDEN	Pre-match	✓	✓	✓	✓	89%	90%
	In-play	✓	✓	✓			
NETHERLANDS	Pre-match	✓	✓	✓	✓	74%	88%
	In-play	✓	✓	✓			
PORTUGAL	Pre-match	✓	✓	✓	✓	74%	79%
	In-play	✓	✓	✓			
AUSTRALIA	Pre-match	✓	✓	✓	✓	78%	75%
	In-play	X	X	X			
GERMANY	Pre-match	✓	✓	✓	✓	59%	60%
	In-play	✓	✓	✓			
CANADA (EX. ONTARIO)	Pre-match	✓	✓	✓	X	10%	11%
	In-play	✓	✓	✓			

KEY: ✓ Minimal Restrictions; ✓ Impactful Restrictions; ✓ Significant Restrictions; X Prohibited.

NOTE: Australia product availability is set against the Northern Territory regulations. Canada (ex-Ontario) product availability set against Play Alberta offering but can vary by province.

LICENSING IS FUNDAMENTAL TO A SUCCESSFUL MARKET

The regulatory and licensing framework provides the foundation of any policy on the availability of betting, both land-based and online. Many countries have historically regulated the supply of betting services through a monopoly operator, often state owned and land-based. Choice and competition is consequently restricted, as is related product attractiveness and innovation. With the advent of online betting, that predominantly land-based supply has been challenged by offshore betting services often providing a modern broader product catalogue.

The consumer migration to those offshore services has resulted in jurisdictions losing oversight and control of consumer gambling activity, along with taxable revenues. This has caused policymakers around the world to reconsider their regulatory approach to the availability of sports betting services, notably online. Canada is a useful case study where Ontario broke away from the monopoly model in operation across Canada and introduced an online sports betting licensing system that has been operational since April 2022. As a result, Ontario's onshore



sports betting channelisation is expected to reach 92% in 2024. In contrast, the rest of Canada combined is forecast to have an onshore rate of around 11% and is expected to lose \$2bn in taxable sports betting GGR offshore during 2024-28.

While operator licensing and the related availability of betting services are fundamental pillars of any successful onshore sports betting market, they cannot alone be expected to ensure a high onshore consumer channelling rate and taxable returns. The establishment of a successful market is also linked to the types of sports betting products that operators are permitted to offer (which is considered throughout this report), and wider issues such as taxation, licensing costs, advertising, bonuses and the availability of other forms of gambling (which are not directly covered).

IMPACT OF IN-PLAY SPORTS BETTING

Just under half (47%) of all sports bets are forecast to be placed in-play (or live) in 2024, equating to around \$28.4bn in GGR. In-play betting is a particularly popular product with consumers and is forecast to account for 51% (\$47bn) of sports bets by 2028. Understandably, most jurisdictions in this study, and indeed more generally where betting is regulated, permit a wide availability of in-play betting through both land-based and online channels.

Australia, however, has banned all online in-play sports betting, which is the primary reason for its low onshore consumer channelling rate, which is expected to remain relatively stagnant (78% in 2022 to 79% in 2028) under the current regulatory regime. The adverse impact on channelisation is also apparent in Germany, which restricts in-play betting to a limited number of markets, compounding wider betting product restrictions. Germany is forecast to have a relatively low 60% onshore channelisation in 2024.

In contrast, jurisdictions that permit in-play betting have noticeably higher onshore consumer channelisation rates. Ontario, which only opened its market in 2022, immediately overtook the German market's onshore sports betting channelisation rate and is expected to overtake Australia's in 2023-24. Ontario is expected to have a 92% onshore rate in 2024. Whilst the well-established market in Great Britain, which similarly permits in-play betting, is forecast to have 97% onshore channelisation.

A lack of in-play betting is one of the most distortive restrictions in sports betting markets, driving consumers offshore, and intensifies an already burdensome fiscal operating position in both Australia and Germany. It has been calculated that, over a five-year period, the legalisation of online in-play in Australia would lead to around \$1bn of additional incremental tax revenues being brought onshore. For Germany, this figure would be over \$400m.

A common rationale for limiting or prohibiting in-play betting is a supposed heightened integrity risk (compared to pre-match). However, this argument lacks a firm evidence base: most in-play markets can be offered pre-match. Furthermore, an analysis of the suspicious betting covering all sports during 2020-23 shows that around half (49%) had a pre-match element. Prohibiting or restricting in-play betting also does not unduly hinder corrupt activity, especially with a sizeable offshore unregulated (or black) market available, notably based in Asia.

Maximising onshore channelisation, regulatory oversight, taxable revenues and associated consumer protections and sporting integrity benefits, requires an attractive product offering and the availability of in-play betting is fundamental to that.



\$1bn

**LOST TO AUSTRALIA
IN INCREMENTAL
TAXES OVER
FIVE YEARS**

\$570bn
IN GLOBAL FOOTBALL
TURNOVER IN 2024

FOOTBALL: THE KEY DRIVER OF ONSHORE CHANNELLING

Betting on football (soccer) is forecast to generate \$53bn in GGR from around \$570bn in turnover in 2024 and is the dominant sports betting product with over 56% of the regulated betting market gross win globally. It is a strong online product, providing nearly 65% of all football GGR. Europe and Asia are forecast to account for 85% of all (online and land-based) football betting GGR in 2024.

It is particularly noticeable that consumer onshore channelling is lower in markets that restrict football betting products. That channelisation is impacted both by any limitation on the sporting competitions on which bets may be placed and the types of bets offered. This study has provided a separate analysis of the availability of products in both the main and side football betting markets.

The main football betting markets (result, handicap, goals) generate the highest spend and are widely offered in most regulated jurisdictions. These markets are forecast to generate over \$500bn in turnover in 2024, with \$370bn coming from online betting, and a total gross win of \$46bn. The availability of these markets therefore has a significant impact on consumer engagement with onshore licensed sports betting operators.

It is therefore unsurprising that onshore channelling is noticeably lower in jurisdictions that place restrictions on these core football betting products. The approaches employed by Portugal and Germany are particularly restrictive: they offer only 18-19% of the competitions permitted in Italy, for example, and lag somewhat behind Italy's 94% onshore channelisation.

The two countries are forecast to have a combined loss offshore of around \$750m in taxable revenues from football betting during 2024-28. There appears to be no clear rationale for these market restrictions: IBIA reported 359 matches that were the subject of suspicious activity in the main football betting markets from around 950,000 matches offered for betting during 2017-23, suggesting a relatively low integrity risk.

Restrictions on a core product like the main football betting markets penalise onshore operators and consumers and serve to encourage the latter to seek prohibited betting products offshore. Establishing a viable and effective regulated onshore betting market requires a wide product range to be available and one that is importantly able to compete with any offshore offering unhindered by product restrictions.

Side markets (cards and corners) are the subject of a wider set of limitations amongst the jurisdictions in this study, albeit it should be noted that the majority do not impose any restrictions. There is significant consumer demand for these products, which are forecast to account for around \$70bn in turnover and nearly \$7bn in GGR in 2024. To put that into perspective, it is larger than the total wagered on any other sport globally except for basketball and American football.

Seeking to restrict a product with that level of demand significantly heightens the drive for consumers to migrate offshore, where such markets are freely offered unhindered by restrictions. However, the integrity risk is relatively low with only 5% of suspicious betting market activity involving side markets. They are clearly not a favoured product for corrupters to target, with increased internal risk management protocols and lower maximum stake sizes often imposed relative to the main football markets.

The Netherlands prohibits cards and corners betting. The operator market data supplied for this study along with data from other markets suggests that the football market would increase by approximately 18% with the addition of those markets. That would generate an extra \$118m of tax revenue in Netherlands over the next five years. This analysis is based purely on the spend of existing onshore customers. In reality, the increase in tax revenue could be much higher, as it would bring some offshore players back onshore, capturing all of their offshore spend.

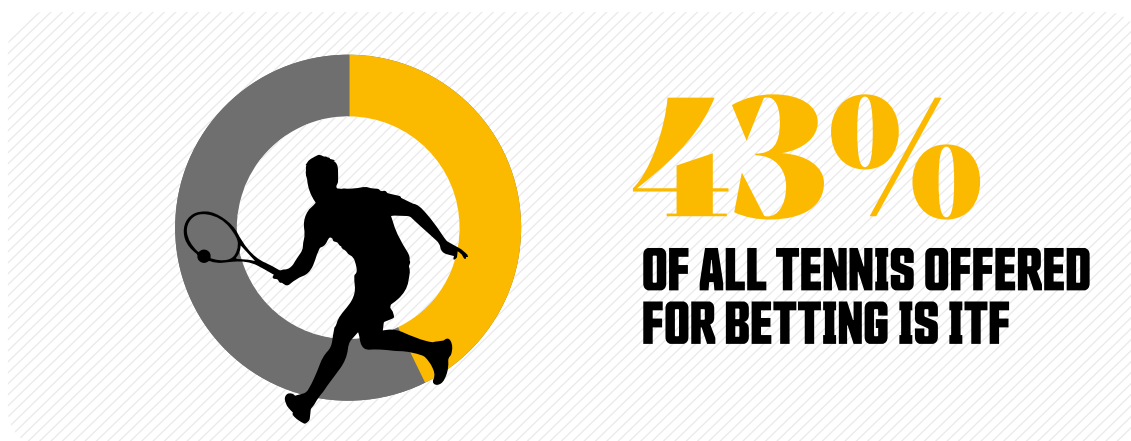
\$70bn
TURNOVER ON
SIDE MARKETS

NEGATIVE IMPACT OF RESTRICTIVE TENNIS PRODUCT OFFERINGS

Tennis is one of the most popular sports globally for betting, notably online. This is due to the sheer volume of matches worldwide and regular availability of competitions during the average week. The global regulated market is expected to reach \$4.4bn in GGR in 2024 and is forecast to be over \$6bn annually by 2028. Tennis betting is a particularly strong product in Europe, which accounts for around 60% of global tennis GGR. Strong growth is also expected in North America with a doubling in tennis betting GGR to around \$1bn by 2028.

The main consideration regarding the availability of betting on tennis has been the ITF Tour, which has been banned in some jurisdictions due to perceived integrity concerns. The main tennis tours have, in general, shown a marked reduction in suspicious betting alerts in recent years. The ITF in particular has introduced a range of mitigating measures that have had a positive impact. While alert numbers may be higher, as a result of a significant number of additional tournaments - accounting for 76% of all tennis tours - the ITF Tour does not pose a heightened integrity risk compared to the other tours from an alert to tournament/match ratio basis.

It is also important to recognise that the ITF W40-100, along with the WTA 125, are equivalent to the ATP Challenger Tour. The Challenger Tour is widely permitted, including in Portugal. However, in that jurisdiction the ITF W40-100 is prohibited, even though it accounts for only 20% of alerts compared to 80% with the ATP Challenger Tour. A blanket ban of all ITF tennis is disproportionate and counterproductive.



There is clear demand for the ITF product which accounts for 17% of tennis wagering globally and 43% of all matches offered. It is therefore no surprise that the Portuguese market generates a significantly lower proportion of wagering turnover on tennis than neighbouring countries that permit ITF betting, like Spain and Italy. If Portugal established a similar market to those countries, it would be expected to generate an extra \$122m in tax revenue over the next five years.

Enforcing a complete ban on ITF Tour betting clearly acts as a driver to access ITF products via the offshore market where it is globally available. Prohibition also fails to recognise the nuances that exist between the various levels of that tour and the associated integrity risk, which has vastly improved.

GLOBAL GROWTH OF BASKETBALL PROP BETTING

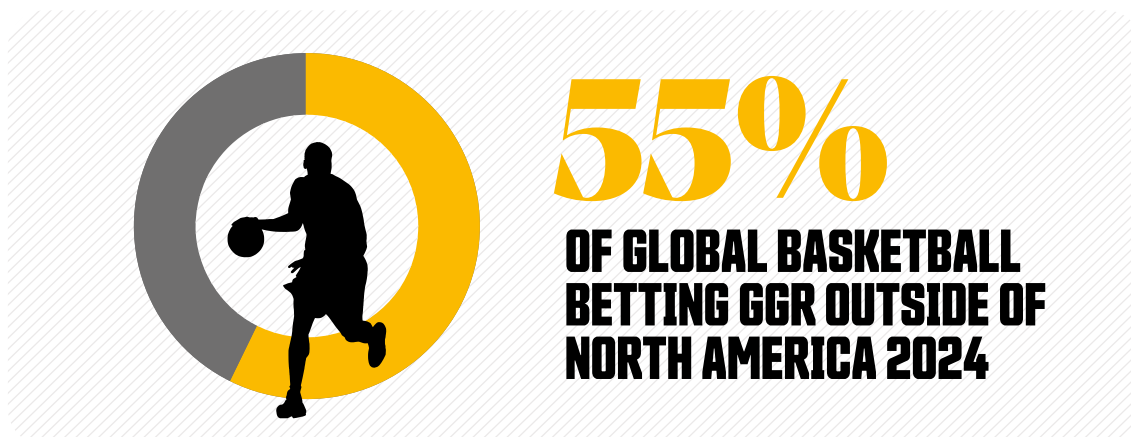
North America is forecast to reach around \$5.4bn in basketball GGR by 2028 and will drive the majority of basketball betting growth globally, which is forecast to increase from \$7.9bn in 2024 to \$11bn in GGR in 2028. However, that will be supported by strong growth in Europe and Asia with over 20% and 30% increases in GGR to \$2.3bn and \$3.2bn expected during this period.

Most jurisdictions assessed in this study permit a wide availability of basketball competitions and types of bets, with resultant high onshore channelisation. The \$1.7bn in GGR forecast to be generated in Europe in 2024 is achieved despite the adverse impact of product restrictions in Portugal and Germany,

which are particularly restrictive and counterproductive, contributing to a noticeably lower onshore channelisation relative to product permissive jurisdictions such as Great Britain and Italy.

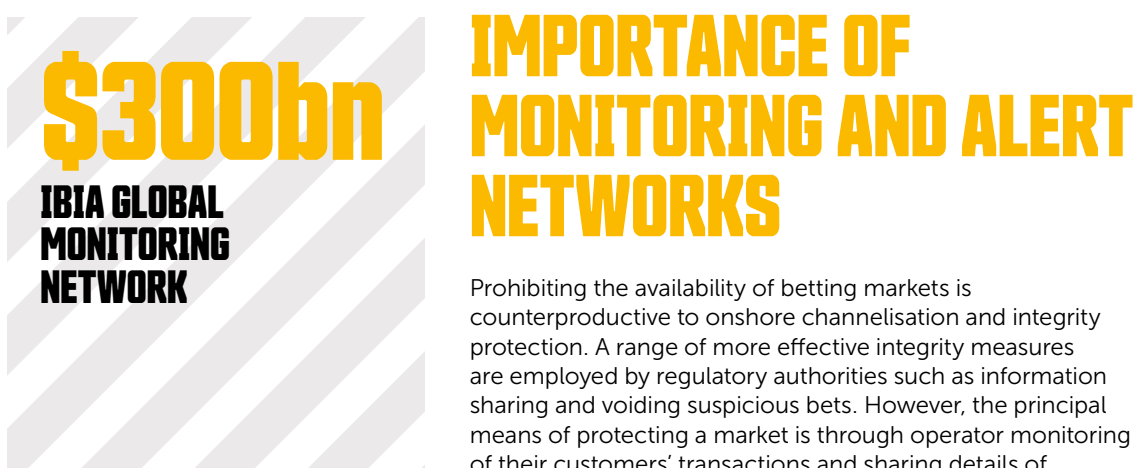
The availability of proposition (prop) betting has been a particular focus of discussion in the burgeoning North American market. It is widely permitted outside of the US but prohibited by some US states on integrity grounds, notably player props. Given that around 55% of global basketball betting GGR in 2024 is expected to be outside of North America, it is reasonable to presume that prop betting on NBA and NCAA matches outside of the US may exceed that of any individual US state that may ban such activity.

Indeed, player prop betting is widely permitted in other parts of North America such as the Canadian Provinces of Ontario and Alberta. As the US and the wider North American sports betting market continues to evolve, notably driven by the adoption of more in-play activity (predicted to account for 65% of bets by 2028), products such as team and player props are expected to gain increase traction with North American consumers.



The operators in this study reported 59 basketball matches as being the subject of suspicious betting between 2017-23 from around 360,000 basketball matches offered for betting, suggesting a relatively low integrity risk. That suspicious betting was confined to the core markets (money line, spread, totals); there was no suspicious betting activity linked to match manipulation identified on player prop markets.

There is no meaningful integrity benefit from excluding such markets, which are widely available globally. Prohibiting those products will make offshore operators more attractive. More effective and proportionate approaches to product availability are employed in many jurisdictions that serve to contribute to strong onshore market integrity, high onshore channelisation, related taxation and regulatory oversight.



This approach has proven to be highly effective and has been adopted as a licensing requirement across a number of European and North American markets and forms a central pillar of the new Brazilian regulatory framework. This study utilises customer account data from the International Betting Integrity Association (IBIA) - which is the largest monitor of its type in the world - and its members, which account for over \$300bn of global betting turnover (handle) per annum.



\$34bn

BRAZIL'S ONSHORE SPORTS BETTING TURNOVER 2028

EMERGING SPORTS BETTING MARKETS

There are a number of jurisdictions that are in the process of regulating their online sports betting markets, notably across North and South America. Of particular significance is the proposed gambling regulatory change in Brazil. The current expectation is that a liberal market will be established in Brazil, which will achieve both a high onshore channelling rate and tax returns from a forecast \$2.3bn in GGR in 2025. It is calculated that this approach could achieve \$34bn in sports betting turnover and \$2.8bn in onshore GGR by 2028. A market of that nature would be an attractive proposition for sports

betting operators and drive consumer spending through onshore licensed companies. However, the introduction of stringent sports betting product restrictions could result in an estimated \$18bn a year being wagered with offshore operators as well as adversely impacting player protection and sports integrity, both of which tend to be significantly less prominent with offshore operators.

RECOMMENDATIONS

MAXIMISING ONSHORE ACTIVITY

The evidence-based and data-driven analysis in this study shows that sports betting product restrictions adversely impact onshore channelling, and that in turn has negative consequences for regulatory oversight and taxable revenues. A market that seeks to maximise the economic impact and social protections achieved via an onshore regulated framework requires a wide sports betting product availability. The central recommendation of this study is, therefore, that jurisdictions should permit a wide sports betting product range with onshore operators or accept that consumers will seek banned products offshore and that regulatory oversight and tax revenue will be lost.

ALTERNATIVES TO PROHIBITION

Whilst it may deliver the optimum market solution, it is acknowledged that moving from an existing approach of prohibition to permitting certain betting products is likely to prove a challenging step for some policymakers, even with clear evidence to support that approach. In that instance, consideration should be given to identifying the product related reasons for offshore migration and how to make the onshore market more attractive without imposing ineffective resource intensive barriers. Whilst not delivering the optimal onshore market solution, proportionate product targeted options are more favourable to prohibition.

SPORTS BETTING INTEGRITY

The rationale for prohibiting markets is often on integrity grounds but that approach is often not proportionate to the level of risk and based on flawed or unevidenced data. The principal means of protecting the integrity of a betting market and associated sporting events is through monitoring and it is increasingly recognised that there is clear value from operators being part of a wider international integrity monitoring network. Nearly half of the jurisdictions in this study have adopted legislative provisions requiring licensed operators to be part of an international integrity monitoring body, as have many newly regulated states across the US. An international issue requires an international approach.

INTRODUCTION

This report has been prepared for the International Betting Integrity Association (IBIA) in response to a request for H2 Gambling Capital, the leading market data and intelligence company on the gambling industry, to undertake a specialist independent assessment of the market impact of the availability of sports betting products.

The International Betting Integrity Association (IBIA) commissioned the analysis in partnership with the national online gambling trade associations: Instituto Brasileiro de Jogo Responsável (IBJR), Canadian Gaming Association (CGA), Netherlands Online Gambling Association (NOGA) and Responsible Wagering Australia (RWA).

METHODOLOGY

This study utilises actual IBIA member operator data provided in confidence to H2, IBIA integrity alert data, and H2's own market data, and is therefore considered to provide as comprehensive an assessment of the current state of play as is possible at this time. The analysis was conducted within the following parameters:

Channel: Sports betting, notably online (excludes horse/greyhound race betting).

Product availability: Includes in-play (live) betting, micro-betting, main and side markets, sporting competitions, amongst other market variations.

Impact: Economic (GGR, tax revenue, onshore/offshore channelling) and betting integrity implications.

Coverage: Focused on the main betting sports worldwide and compares the market impact of sports betting product availability in 12 jurisdictions: Australia, Brazil, Canada (excluding Ontario), Denmark, Germany, Great Britain, Italy, Netherlands, Ontario, Portugal, Spain and Sweden.

Time Window: Analyses confirmed market data for 2018-22, with modelled estimates for 2023-2028, along with suspicious betting alert data for 2017-2023.

The analysis assesses and compares the market impact in the 12 jurisdictions listed where there are a wide variety of regulatory approaches to the availability of betting products, which have been assessed as: minimal product restrictions; impactful product restrictions; significant product restrictions; and prohibition.

The jurisdictional modelling provides a template for markets considering regulatory change, with a case study for Brazil provided, and key evidence-based recommendations for optimum betting market regulation.

The H2 core model covers 175+ jurisdictions in over 100 countries and collates and compiles data via key primary sources that include: actual published market and organisation data; assessment of the supply side by product vertical; H2's own in-house tracking of activity; ongoing contact with private organisations/investors, including subscriber feedback; knowledge/opinion of third parties - including providers and other industry analysts.

Market forecasts are based on key secondary drivers including: maturity of product; expected product development; GDP/broadband/mobile growth; benchmarked markets; impact of past and expected legislation.

Market and alert data correct as of February 2024.

This report has used USD or \$ as the most commonly used denomination in the sector. Any exchange rates are as at the time of writing. All annual data is calendarized regardless of the fiscal year end of any individual market.

Black market activity (where the operator is completely unlicensed) is not included in this report; identifying and calculating any black market activity with any accuracy is by its very nature problematic.

TERMINOLOGY

Channelling: Percentage of the online betting market conducted via its onshore licensed operators.

Gross Win/GGR: Gross Win or Gross Gaming Revenue (GGR) is betting turnover minus prizes paid out.

Onshore/Offshore: The onshore market is activity where the operator is licensed in the same jurisdiction as the player is located; the offshore market is where the operator is licensed in a different market.

Turnover (or handle): Amounts wagered.

Data: e = estimate, p = provisional

PARTNERS

H2 Gambling Capital is a sector-specialist analyst company headquartered in the UK and is widely recognised as the leading authority regarding market data and intelligence on the gambling industry. We have strong professional credibility and impartiality, and a positive track record of delivering reports which stand up to scrutiny from a variety of stakeholders. Our independent analyses have helped many regulators and policymakers develop both improved regulation and optimum market trading conditions within their jurisdictions. (<https://h2gc.com/>)

The International Betting Integrity Association (IBIA) is the leading global voice on integrity for the licensed betting industry. IBIA represents over 50 international gambling operators with over 125 sports betting brands and manages the largest customer transaction account-based integrity network in the world, covering over \$270bn in betting turnover (handle) in 2023. (<https://ibia.bet/>)

The Instituto Brasileiro de Jogo Responsável (IBJR), or Brazilian Institute of Responsible Gaming, represents many of the leading sports betting operators in Brazil and promotes the introduction of an effective regulatory framework for gambling in that country with clear rules and guidelines so that sports betting companies can operate legally, protecting the interests of players and civil society. (<https://ibjr.org/>)

The Canadian Gaming Association (CGA) is the national trade association that represents leading operators and suppliers in Canada's gaming, sports betting, eSports, and lottery industries. Its mandate is to advance the evolution of a regulated, responsible, and sustainable Canadian gaming industry through collaboration, education, and advocacy. (<https://canadiangaming.ca/>)

The Netherlands Online Gambling Association (NOGA) advocates for online gambling companies who are committed to a safe, responsible and attractive online offer in the Netherlands. NOGA promotes constructive dialogue and advocates for a legislative framework that provides for an open licensing system in which the consumer is protected and the integrity in the market ensured. (<https://www.no-ga.nl/>)

Responsible Wagering Australia (RWA) is the independent body for Australian licensed wagering service providers (WSPs). The RWA and its members are at the forefront of promoting socially responsible wagering and advocating for increased standards in the sector. Members are bound by a Code of Conduct and must maintain the highest standards of integrity and probity. (<https://responsiblewagering.com.au/>)

PRODUCED BY

ON BEHALF OF

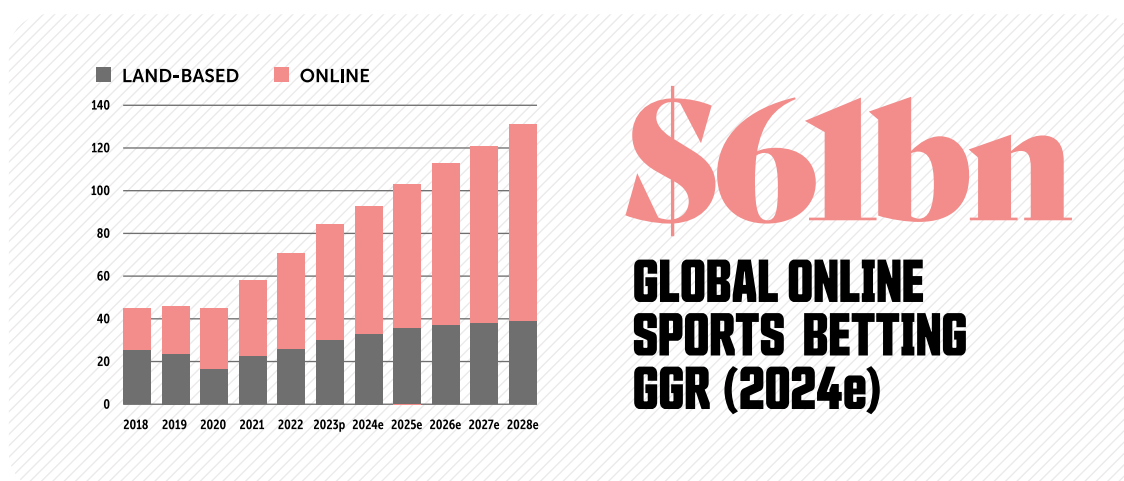


GLOBAL SPORTS BETTING MARKET

OVERVIEW

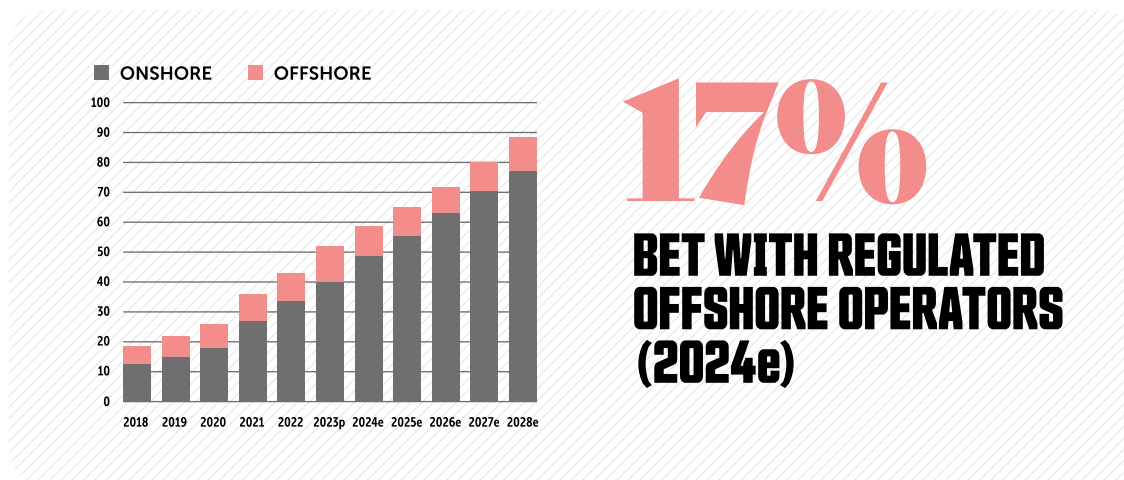
In 2024 the global land-based and online sports betting market (note: excluding horse and dog racing) is forecast to be worth \$94.3bn in gross gaming revenue (GGR). Approximately \$61bn (65%) of the market is expected to be generated via online bets, with \$28.4bn (47%) of that coming from in-play (or live) betting. In the last five years, online sports betting has grown at over 5x the rate of those made via land-based operators (22.7% vs. 4.3% CAGR).

GLOBAL SPORTS BETTING MARKET GGR (\$bn): LAND v ONLINE 2018-28e



In terms of market channelling, H2 Gambling Capital's core markets dataset covering over 175 jurisdictions globally forecasts that 83% of all sports betting will be placed with licensed onshore operators in 2024 (as opposed to operators licensed in jurisdictions outside of where the end consumer is based), up from 63% in 2018. Around 17% remains with licensed offshore operators. Importantly, this does not take into account black market operators that are not licensed in any jurisdiction, which are particularly prevalent in markets such as Asia; identifying and calculating any black market activity with any accuracy is by its very nature problematic.

GLOBAL ONLINE SPORTS BETTING MARKET GGR (\$bn) – ONSHORE v OFFSHORE - 2018-28e



The global sports betting market is forecast to reach approximately \$132bn by 2028 (over 70% or \$93bn online) with 88% generated through licensed onshore operators and 51% of online gross win coming from in-play (vs pre-match) betting.

\$132bn GGR	70% ONLINE BETS	51% ONLINE IN-PLAY
-----------------------	---------------------------	------------------------------

Globally, football (soccer) is by far the largest sports wagering product, and is forecast to generate \$53bn of gross win in 2024, representing 56% of all sports wagering activity. Tennis has the highest number of events on which wagering is offered, which makes it a very important product for sports betting operators. Basketball is particularly strong in North America but is also a prominent betting product in Europe and Asia.

This report has therefore focused on the availability of in-play, football (soccer), tennis and basketball betting, notably online, which are the core sports betting products globally, in its analysis of product availability.

GLOBAL BETTING GROSS WIN BY SPORT (\$bn)

	2018	2019	2020	2021	2022	2023p	2024e	2025e	2026e	2027e	2028e
Football	27.5	28.3	26.2	35.1	42.1	47.6	52.9	57.3	62.7	66.5	71
Basketball	2.9	3.1	2.6	4.9	6	7.2	7.9	7.7	10.1	10	11.1
Tennis	2.2	2.2	2.3	1.5	3.1	3.6	4.1	4.4	4.9	5.4	5.8
American Football	0.8	1.1	1.6	2.5	3.1	4.9	6.7	9.9	7.9	9.6	10.5
Motor Sport	2.1	2.2	2.5	2.8	3.2	4.4	5.1	5.5	5.4	6.2	6.9
Other	10	8.6	8.1	11.5	13.6	15.9	17.6	18	21.1	23.7	26.3
Total	43.5	45.5	43.3	58.3	71.1	83.6	94.3	102.8	112.1	121.4	131.6

JURISDICTIONS IN THIS REPORT

The total betting gross win per market, sports (football (soccer), tennis, basketball), and per adult has been set out for comparison and analysis covering the 12 jurisdictions assessed in this report.

TOTAL BETTING GROSS WIN BY MARKET 2024e (\$m)

	Onshore Gross Win	Offshore Gross Win	Total Sports Gross Win
Great Britain	2,130	57	2,187
Italy	1,939	130	2,069
Brazil	978	1,195	2,174
Australia	712	232	944
Spain	597	69	666
Ontario	506	42	548
Portugal	486	127	614
Sweden	473	50	523
Netherlands	438	59	497
Germany	410	275	685
Denmark	249	29	278
Canada (ex. Ontario)	45	355	400

TOTAL BETTING GROSS WIN PER ADULT BY MARKET 2024e (\$)

	Onshore Gross Win	Offshore Gross Win	Total Sports Gross Win
Portugal	56	15	70
Sweden	56	6	62
Denmark	52	6	58
Australia	35	11	47
Ontario	40	3	43
Italy	39	1	42
Great Britain	39	1	41
Netherlands	30	4	34
Canada (ex. Ontario)	3	19	23
Spain	15	2	17
Brazil	6	7	13
Germany	6	4	10

GROSS WIN % BY MARKET SPLIT BY SPORT (2024e)

	Football (Soccer)	Tennis	Basketball	Other
Brazil	85.2%	4.5%	3.7%	6.5%
Portugal	78.9%	8.7%	7.6%	4.8%
Great Britain	78.4%	5.6%	2.3%	13.7%
Germany	76.2%	7.3%	6.6%	9.9%
Denmark	75.3%	9.0%	3.7%	12.0%
Spain	73.8%	14.4%	9.3%	2.5%
Netherlands	73.0%	9.0%	11.9%	6.1%
Sweden	70.7%	6.3%	4.8%	18.2%
Italy	70.4%	17.9%	5.4%	6.3%
Australia	36.1%	11.1%	19.7%	33.1%
Canada (ex. Ontario)	27.3%	4.9%	17.3%	50.5%
Ontario	15.1%	3.4%	28.7%	52.8%

**AVAILABILITY
OF BETTING**

OVERVIEW

The regulatory and licensing framework provides the core foundation of any policy on the availability of betting services, both land-based and online. There are a variety of approaches adopted globally, but the four main regulatory models in operation are: prohibition; monopoly/single licence; limited number of licences; and an unlimited number of licences. A single model may be applied universally across all betting services in a jurisdiction, or it may see differing approaches applied to land-based and online businesses. In some countries the position can become more complex with variations across different regions.

The perceived success of the model employed is open to different interpretations based on the focus of the policy in operation. However, if the fundamental policy approach is to have control and oversight of the market then the compliance of consumers (onshore channelling) with that policy can be considered a core indicator of success. This section considers the general availability of sports betting, notably online, and the resulting impact on onshore channelisation, with the following sections focusing on the linked issue of the product offering.

LICENSING v MONOPOLY

Many countries have historically regulated the supply of betting services through a monopoly operator, often state-owned and through land-based facilities. In some cases the framework has provided different bodies with sole control of specific forms, such as betting on racing (on and off racetracks), and separately, betting on other sports. Choice and competition is consequently restricted, as is related product attractiveness and innovation. With the advent of online betting, that predominantly land-based supply has been challenged by the ease of consumer access to offshore online betting services often providing a modern broader product catalogue.

The consumer migration to those offshore services has resulted in jurisdictions losing oversight and control of consumer gambling activity, along with taxable revenues. This has caused many policymakers around the world to reconsider their regulatory approach to the availability of sports betting services, notably online, and the wider questioning of why a jurisdiction would be directly involved in the ownership and management of a service that can be conducted via licensed and regulated private entities.

It has resulted in numerous jurisdictions introducing licensing systems for private operators to offer online sports betting, albeit land-based monopolies persist in some areas. That includes many of those involved in this study, such as Portugal, Spain, Sweden, Germany, Ontario and the Netherlands. Others such as Peru, some provinces in Argentina and over 30 US states have also recently adopted online sports betting licensing arrangements, whilst Chile is in the process of introducing such provisions in 2024 and Kenya is advancing legislative measures to introduce specific online licensing.

SPORTS BETTING AVAILABILITY: MULTI-LICENSING v MONOPOLY

	Betting Channel		Onshore Channelling	
	Retail	Online	2022	2024e
Great Britain	✓	✓	98%	97%
Italy	✓	✓	93%	94%
Ontario	X*	✓	69%	92%
Denmark	✓	✓	89%	90%
Spain	✓	✓	84%	90%
Sweden	✓	✓	89%	90%
Netherlands	X	✓	74%	88%
Portugal	X	✓	74%	79%
Australia	X	✓	78%	75%
Germany	✓	✓	59%	60%
Canada (ex. Ontario)	X	X	10%	11%

Key: ✓ Licensing; X Monopoly.

*Note: *Land-based sports betting is permitted at privately-run casinos, but OLG monopoly elsewhere.*

Some jurisdictions have nevertheless sought to maintain the land-based and online monopoly supply of betting services, either nationally or at state level. Norway and Finland are two of the few remaining examples left in Europe, albeit Finland has announced that it intends to introduce an online gambling licensing system by 2026.

Canada is a useful case study, where many of its provinces and territories legislate and control land-based and online gambling, primarily through monopoly operators. Ontario, Canada's largest province by size of population, broke away from that model and introduced a licensing system that has been operational since April 2022.

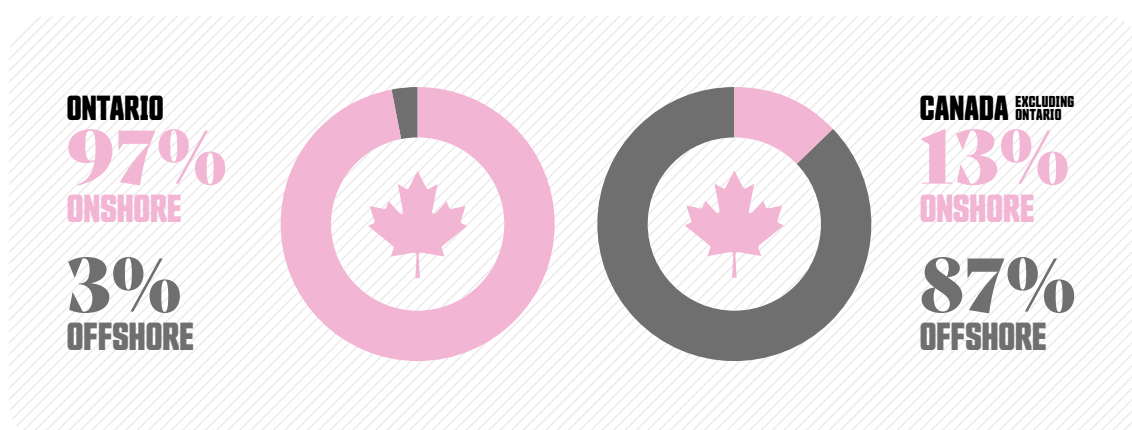
CANADIAN ONLINE SPORTS BETTING AVAILABILITY AND CHANNELLING (2024e)

	Online Licensing	Onshore Channelling	Population (2023)	GGR Onshore	GGR Offshore
Ontario	✓	92%	15.8m	\$505.9	\$41.7
Canada (ex. Ontario)	X	11%	24.7m	\$45.5	\$355.0

Note: Population data from StatCan Q4 2023.

Ontario's onshore sports betting channelisation is expected to reach 92% in 2024 and then rise to 97% by 2028. In contrast, if the current monopoly regulatory position were to remain, the rest of Canada combined is forecast to continue to languish below 15%, with an onshore rate of around 11% in 2024 becoming 13% by 2028.

EXPECTED ONSHORE SPORTS BETTING CHANNELLING IN CANADA (2028e)



To put this into perspective, Canada (excluding Ontario) is forecast to lose nearly \$2bn in taxable sports betting GGR offshore during 2024-28. Using the same tax model as Ontario, that equates to around \$395m in lost tax revenue. Alberta, Quebec and British Columbia combined account for around 75% of that figure.

MONOPOLY PROVISION OF ONLINE SPORTS BETTING IN CANADA (2024-28e)



Alberta is reported to be considering adopting a licensing model similar to Ontario's for online gambling regulation. If that model was introduced from the start of 2025, that could bring around \$400m in taxable sports betting GGR back onshore during 2025-28 on current offshore market forecasts. However, a regulated commercial market would also be expected to grow the overall market and the true taxable GGR potential is therefore expected to be higher.

Whilst it is a fundamental pillar of any successful onshore sports betting market, operator licensing and the related availability of betting services cannot alone be expected to achieve a high onshore consumer channelling rate and taxable returns. The establishment of a successful market is also linked to the types of sports betting products that operators are permitted to offer, which is addressed in the following sections, and wider issues not directly covered in this report such as taxation, licensing costs, advertising, bonuses and the availability of other forms of gambling.

IN-PLAY
NETTING

OVERVIEW

In-play betting is forecast to hit \$47bn by 2028, representing 51% of all global sports betting. It should be noted that a handful of large markets, such as Japan and the US, still have relatively low levels of in-play wagering, albeit North America is forecast to see significant growth to 65% in-play by 2028.

In-play betting is predominately an online product. Almost half (47%) of all online wagers are forecast to be made in-play (or live) during sporting events in 2024 (up from 24% and \$1.4bn in 2010), as opposed to pre-match, generating \$28.4bn in gross win globally. In Europe it accounts for 54% of all online bets.

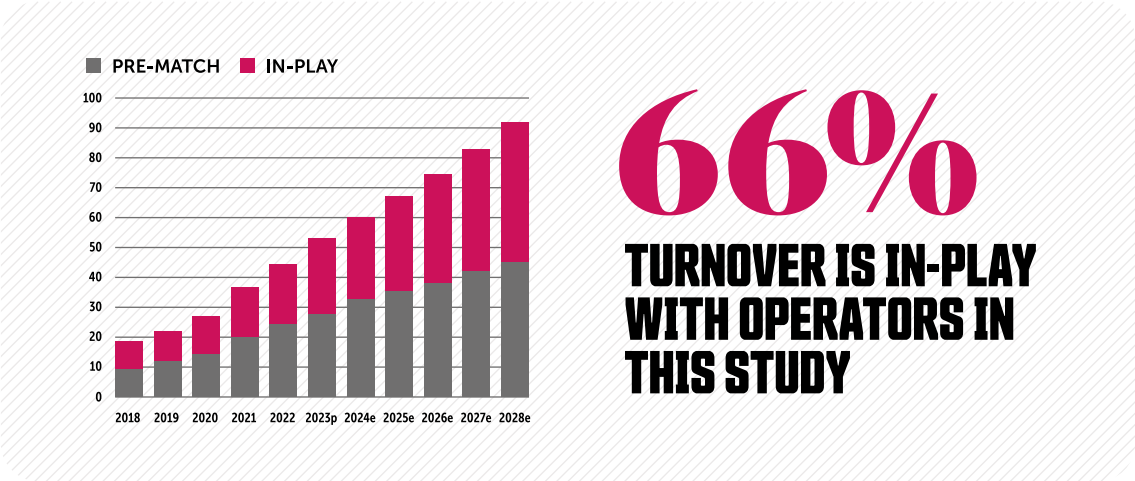
IN-PLAY SPORTS BETTING % SPLIT BY REGION (2024e)

GLOBAL	EUROPE	ASIA	LATIN AMERICA	AFRICA	NORTH AMERICA
47%	54%	20%	50%	10%	53%

Note: Asia includes Oceania.

In contrast, the leading global operators who contributed to this report returned an average of 66% of turnover from in-play betting, leading to 58% of gross win (against 42% pre-match) in 2023.

GLOBAL ONLINE SPORTS BETTING MARKET GGR (\$bn) – PRE-MATCH v IN-PLAY - 2018-28e



Australia has banned in-play sports betting for its licensed online sports betting operators, although it is allowed via telephone and through monopoly-run land-based channels. This online prohibition is widely understood to be the primary reason for Australia’s low onshore consumer channelling rate for online sports wagering, which is expected to remain relatively stagnant (78% in 2022 to 79% in 2028).

Germany does allow in-play betting but only on a limited number of markets, notably for football (soccer). All other jurisdictions in this study, and indeed more generally where betting is regulated, permit in-play betting; any limitation on product availability is focused on particular markets such as yellow/red cards in football.

A lack of in-play betting is one of the most distortive restrictions in sports betting markets and intensifies an already burdensome fiscal operating position in both Australia and Germany.

ALERT DATA

The in-play product absence greatly favours offshore operators and hinders the protection of the onshore market. An often-used rationale for limiting or prohibiting in-play betting is a supposed heightened integrity risk. However, this argument lacks a firm evidence base: while in-play does have a higher number of suspicious betting alerts, that should be viewed in the context of the increasing growth of in-play betting vs. pre-match.

ALL SPORT BETTING ALERTS BY IN-PLAY AND PRE-MATCH (2020-23)



Moreover, the vast majority of in-play betting markets can be offered pre-match: an analysis of the suspicious betting alerts covering all sports in recent years shows that around half (49%) had a pre-match element.



National product restrictions also fail to recognise that the corruption of sporting events is a global issue and that the vast majority of suspicious bets are placed outside of the jurisdiction when the potentially corrupted sporting event takes place. In the case of football (soccer), for example, that is around 90% offshore, while basketball is 97%.

Prohibiting or restricting in-play betting does not unduly hinder corrupt activity, especially with a sizeable offshore unregulated (or illegal) market available, notably based in Asia. The absence of that core product does however ensure that the onshore market does not adequately meet the appetites of a sizeable number of consumers, thereby driving them offshore for the in-play alternative and resulting in a lower consumer spend onshore.

CONSUMER DEMAND

Restrictions on the availability of betting, especially when involving a key product like in-play betting, does not benefit consumer protection or sporting integrity concerns. The regulated and taxed betting operators licensed in jurisdictions such as Australia and Germany are expected to continue to struggle against an unhindered offering offshore, driven by an increasing consumer demand for in-play sports betting options.

Based on the split of in-play vs. pre-match gross win globally, and the detailed market data received by operators established in Australia and other markets globally (many allowing in-play betting), the impact of prohibiting that product can be ascertained: Australia's onshore online sports betting gross win of \$859m in 2022 implies that an unrestricted in-play product would add a further \$1.1bn of gross win per year and tax revenues of over \$500m.

In reality, there would be substantial substitution from pre-match to in-play, so the resultant market size and tax uplift would be much lower. However, over a five-year period, assuming 35% cannibalisation of in-play betting on existing pre-match gross win (the mid-point of our range), this would imply that the legalisation of online in-play could lead to \$1bn of incremental tax revenues, as well as a significant reduction in the offshore market. However, this could range from \$482m to over \$1.8bn depending on the level of cannibalisation of the in-play product.

Operators that contributed to this report with a licensed German offering reported a 10% lower in-play turnover in their German business compared to their global business. If in-play restrictions were removed, there is no reason to believe that the in-play percentage in Germany would be any lower than the global average. To achieve the global average for these operators, in-play wagering would have to increase by 62% which would lead to an increase in total turnover of 36%. For the five-year period 2024-28, this would be expected to generate \$416m of incremental tax revenue for German states.



\$416m

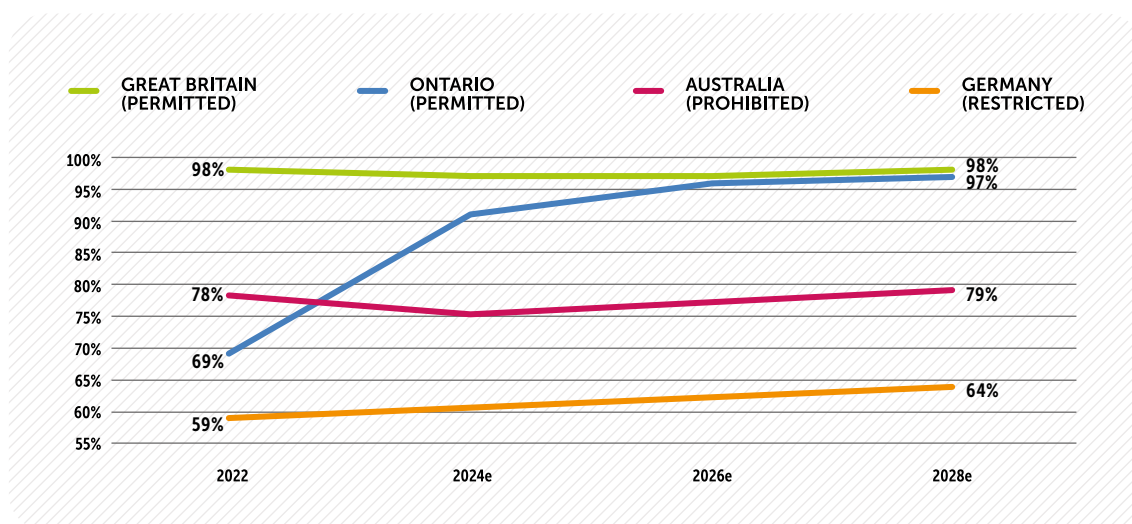
LOST TO GERMANY IN INCREMENTAL TAXES OVER FIVE YEARS

However, a 36% increase in wagering activity would still leave German gross win per adult materially lower than comparable markets, showing that in-play restrictions are not the only product headwinds in the market.

Football, basketball and tennis account for 86% of total sports betting turnover and 90% of gross win in the market: however, given the current catalogue of betting restrictions, there are periods over the summer where Germany will have practically no football or basketball and limited in-play tennis wagering. In-play is a particularly prominent product in tennis wagering, representing almost 90% of the sport's betting turnover globally.

Maximising onshore channelisation and thereby taxable revenues requires an attractive product offering and in-play betting is fundamental to achieving that. A comparison of the impact of in-play restrictions and its adverse effect on onshore online consumer channelisation is readily apparent when contrasting the regulatory regimes in Great Britain and Ontario, which both permit a wide in-play product offering, against Australia and Germany.

IN-PLAY ONLINE SPORTS BETTING CHANNELLING COMPARISON (2022-28e)



Over the same five-year period, Great Britain is expected to lose \$46m in taxable revenues offshore, equivalent to around only 9% of the tax revenue lost in Australia and 7% of the tax revenue lost in Germany. Similarly in-play permissive markets such as Italy, Denmark and Ontario are also expected to continue to provide noticeably more attractive onshore markets for their consumers with the resultant fiscal and regulatory benefits from higher onshore channelisation.

Whilst Ontario, which only opened its market for private online operators in April 2022, immediately overtook Germany's onshore channelisation and is expected to overtake Australia during 2023-24. Ontario is forecast to reach 97% onshore channelling by 2028. This is all the more impressive when that onshore growth is in part a result of drawing consumers away from a well-established offshore market. This is the challenge that faces both Australia and Germany, and where both are constrained by the absence of an important online wagering product.

ALL
FREE
FOR
EVER

OVERVIEW

Betting on football (soccer) is forecast to generate \$53bn in GGR from around \$570bn in turnover in 2024 and is the dominant sports betting product with over 56% of the regulated betting market gross win globally and significantly upwards of that figure in many geographical regions. It is primarily only in North American markets that this product and market dominance is challenged, and where American football, basketball, baseball and ice hockey have stronger consumer sports betting product demand and spend. Football (soccer) is forecast to reach \$71bn in GGR by 2028.

BETTING PRODUCT % SPLIT FOR FOOTBALL BY REGION (2024e)

GLOBAL	EUROPE	ASIA	LATIN AMERICA	AFRICA	NORTH AMERICA
56%	75%	60%	72%	67%	2%

Note: Asia includes Oceania. Includes online and land-based betting.

For most geographical regions, betting on football is therefore the dominant product, accounting for an average of 69% of gross win for all sports betting across Europe, Asia, Latin America and Africa, and is in high demand.

BETTING PRODUCT % SPLIT ACROSS EUROPE, ASIA, LATAM AND AFRICA (2024e)



Note: Asia includes Oceania.

Europe and Asia are forecast to account for 85% of all (online and land-based) football betting GGR in 2024. It is a particularly strong online product, which is forecast account for nearly 65% of all football GGR.

FOOTBALL BETTING GGR SPLIT BY REGION (2024e)

GLOBAL	EUROPE	ASIA	LATIN AMERICA	AFRICA	NORTH AMERICA
\$53bn	\$24.1bn	\$21.2bn	\$3.8bn	\$3.6bn	\$0.3bn

The availability, or more importantly lack of, football betting products therefore has a significant impact on consumer engagement, and migration offshore is a clear impact where that consumer demand is not met onshore. Indeed, it is particularly noticeable that consumer channelling to onshore licensed and taxed sports betting operators is lower in markets that restrict football betting products. That channelisation is impacted both by any limitation on the types of bets offered and by the sporting competitions on which bets may be offered.

ONLINE FOOTBALL BETTING PRODUCT AVAILABILITY

	LEAGUES & COMP'	BETTING PRODUCT						OPERATOR LICENSING	CHANNELLING	
		BET TYPE	Result	Handicap	Goals	Corners	Cards		2022	2024e
GREAT BRITAIN	✓	Pre-match	✓	✓	✓	✓	✓	✓	98%	97%
		In-play	✓	✓	✓	✓	✓			
ITALY	✓	Pre-match	✓	✓	✓	✓	✓	✓	93%	94%
		In-play	✓	✓	✓	✓	✓			
ONTARIO	✓	Pre-match	✓	✓	✓	✓	✓	✓	69%	92%
		In-play	✓	✓	✓	✓	✓			
DENMARK	✓	Pre-match	✓	✓	✓	✓	✓	✓	89%	90%
		In-play	✓	✓	✓	✓	✓			
SPAIN	✓	Pre-match	✓	✓	✓	✓	✓	✓	84%	90%
		In-play	✓	✓	✓	✓	✓			
SWEDEN	✓	Pre-match	✓	✓	✓	✓	✓	✓	89%	90%
		In-play	✓	✓	✓	✓	✓			
NETHERLANDS	✓	Pre-match	✓	✓	✓	X	X	✓	74%	88%
		In-play	✓	✓	✓	X	X			
PORTUGAL	✓	Pre-match	✓	✓	✓	✓	X	✓	74%	79%
		In-play	✓	✓	✓	✓	X			
AUSTRALIA	✓	Pre-match	✓	✓	✓	✓	✓	✓	78%	75%
		In-play	X	X	X	X	X			
GERMANY	✓	Pre-match	✓	✓	✓	X	X	✓	59%	60%
		In-play	✓	✓	✓	X	X			
CANADA (EX. ONTARIO)	✓	Pre-match	✓	✓	✓	✓	✓	X	10%	11%
		In-play	✓	✓	✓	✓	✓			

KEY: ✓ Minimal Restrictions; ✓ Impactful Restrictions; ✓ Significant Restrictions; X Prohibited.

NOTE: Australia product availability is set against the Northern Territory regulations. Canada (ex-Ontario) product availability set against Play Alberta offering but can vary by province.

While it is accepted that a range of issues impact the attractiveness of the market offering, such as bonus and advertising availability, licensing costs and the taxation regime, restricting the availability of sports betting products is undoubtedly a major contributory factor in low onshore channelling rates. In the case of football, with its dominant position within the global betting market, the impact is significantly heightened.

There is no evidence that restricting or prohibiting particular types of bets within a jurisdiction's regulated market serves to deter corrupters from manipulating sporting events. IBIA members reported 404 football matches as being the subject of suspicious betting during 2017-23. That involved matches in 78 different sporting nations and customers from 78 country locations, with over 1,200 customer country locations averaging three customer country locations per suspicious bet. Customers in 10 countries accounted for 65% of suspicious betting activity.

That suspicious betting activity was identified across 55 different types of football betting markets, with 1,174 markets being targeted in total at an average of around three different types of market targeted for each suspicious match. The vast majority (90%) of those suspicious bets were placed outside of the jurisdiction where the potentially corrupted sporting event took place, and any regulatory framework potentially restricting such bets.

FOOTBALL BETTING ALERTS (2017-23): KEY STATISTICS

404 SUSPICIOUS ALERTS	78 SPORTING NATIONS	55 TYPES OF BETS TARGETED	90% SUSPICIOUS BETS PLACED OFFSHORE
------------------------------------	----------------------------------	--	--

Brazil and India, neither of which had country-wide sports betting regulations in force during 2017-23, had the most alerts with a combined 14% of the overall total. The establishment of a well-regulated market is an important step in the protection of sporting events and betting markets. Prohibiting betting clearly has limited, if any, positive impact from an integrity standpoint in a global sports betting marketplace.

The information gleaned from suspicious betting is used by IBIA members to discern key trends and risk profiles, subsequently used in product risk management, and which ultimately serves to protect regulated betting markets, consumers and sporting events. It is important in any consideration of the availability of sports betting that the issue is properly contextualised, and the relevant impacts of product availability assessed on evidence-based data.

LEAGUES AND COMPETITIONS

The ability of licensed operators to offer consumers bets on a wide range of football (and wider sporting) competitions can be as important in retaining consumers onshore as the availability of betting markets. Like the availability of betting markets, covered later in this section, two general approaches are taken: one to impose a specific list of competitions, and the other to allow an unhindered range of options based on consumer demand.

FOOTBALL LEAGUES AND COMPETITIONS OFFERED

	GENERAL RESTRICTIONS	PERMITTED COMPETITIONS		CHANNELLING	
		Worldwide Competitions	National Competitions	2022	2024e
GREAT BRITAIN	None	Any	Any	98%	97%
ITALY	Must be part of the official catalogue. No U18.	Catalogue of 1,971 competitions	21 League (Divisions 1-4) and Cup competitions.	93%	94%
ONTARIO	No U18. Sport must have effective integrity rules.	Any	No minor league competitions	69%	92%
DENMARK	No U18	Any	Any	89%	90%
SPAIN	No U18	Any	Any	84%	90%
SWEDEN	No matches permitted for betting where the teams come from outside of one of the four highest divisions in their respective countries.	Any not listed as restricted	League and Cup competitions limited to teams in the four highest divisions. No betting on U18 players. No bets on national team below U21 level. No bets on any friendly matches unless national U21 or above.	89%	90%
NETHERLANDS	No friendly matches unless association or federation sanctioned. No U21 or lower.	Any not listed as restricted	Matches of the third division and lower are banned; all other divisions and Cup competitions are allowed.	74%	88%
PORTUGAL	Must be part of the official catalogue.	Catalogue of 365 club competitions. Permits friendly matches.	11 League (limited to U23 & Divisions 1-4) and Cup competitions.	74%	79%
AUSTRALIA	No U18	Any	Any	78%	75%
GERMANY	Must be part of the official catalogue.	Catalogue of 347 competitions. No friendly matches.	7 League (limited to Divisions 1-3) and Cup competitions. Only full national team friendly matches permitted.	59%	60%
CANADA (EX. ONTARIO)	No known restrictions	No known restrictions	No known restrictions	10%	11%

NOTE: Includes international and national competitions and women's competitions. Excludes five-a-side, futsal, beach football.

COMPETITION CATALOGUES

Portugal and Germany impose lists of specified football competitions on which bets may be placed. Other countries, such as Sweden and the Netherlands, place more general restrictions on the number of divisions and/or certain types of competitions permitted, such as friendly football matches.

While Italy does employ a permitted sporting event catalogue, it is so vast - covering nearly 8,000 sporting leagues and competitions, with nearly 2,000 for football - it makes it almost redundant. Spain included an approved list of sports events when the online market opened in 2012 but removed that burden a year later.

Many jurisdictions that regulate betting on sporting events do not impose significant restrictions on the types of bets or events permitted, with regulated betting operators able to offer a wide range of products and services to consumers, whilst employing risk-based security systems to monitor their markets. Any restrictions that are placed on operators are principally prohibitions on under-18 and amateur sporting events; this is the case in Ontario and Denmark, for example.

The approaches employed by Portugal and Germany are particularly restrictive. To put this into perspective, Germany offers only 18% and Portugal only 19% of the worldwide football competitions offered in Italy. Whilst Germany and Portugal permit many major national and international competitions, the relatively limited extent of the permitted competition list makes offshore operators an attractive alternative.

The two countries are calculated to have a combined loss offshore of over \$900m in taxable revenues during 2024-28, which will be difficult to address while limitations persist in the largest sports betting product offering, and where football betting is calculated to account for around \$750m of that lost taxable revenue offshore.

FOOTBALL CATALOGUE COMPARISON: ITALY, PORTUGAL AND GERMANY (2023)

	Italy	Portugal	Germany
Catalogue Size	1,971	365	347
Catalogue Comparison % compared to Italy	-	19%	18%
Onshore Channelling 2024e	94%	79%	60%
Lost Betting Tax 2024-28e*	\$97m	\$211m	\$534m

*Note: *Assuming offshore sports split is the same as onshore. Excludes five-a-side, futsal, beach football.*

The process of restricting betting and providing lists of approved sporting events and bet types, and the constant review and updating of that approach, invariably involves additional administrative and monitoring cost burdens on both the regulatory authority and its licensed operators. Such practices are of questionable positive societal or integrity impact given the limitations of any national approach in a fragmented global market of differing regulatory models.

At the same time, offshore operators will continue to offer whatever types of betting products they chose without any regulatory limitation, oversight or possible sanctions, nor is there any requirement on those operators to engage in responsible preventative actions to protect consumers or sporting events from manipulation. Restricting product availability invariably hampers that market's development with consumers gravitating to offshore sports betting operators offering a larger and more attractive competition catalogue.

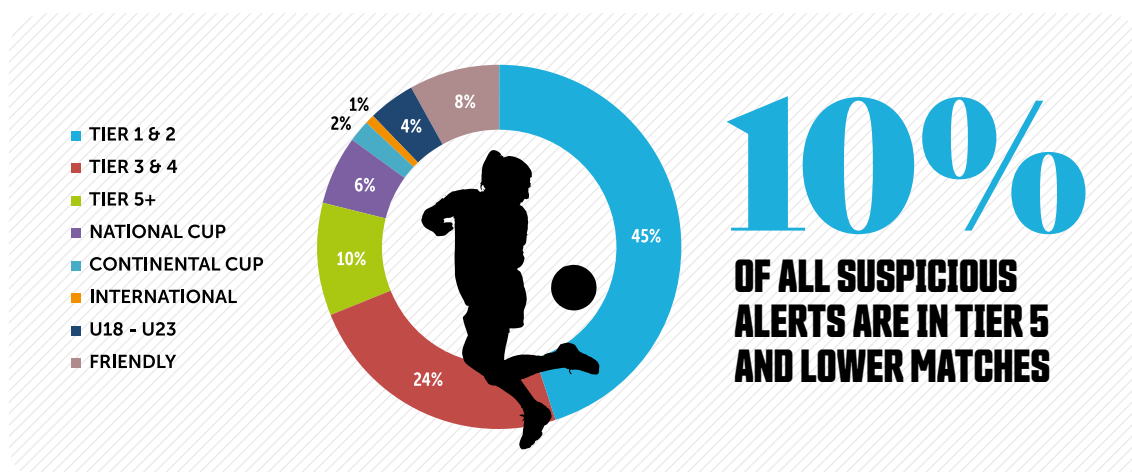
COMPETITION TIERS

Betting has been restricted on certain levels of football competition in the Netherlands and Sweden. For the Netherlands, the prohibition on betting on matches below the third division is only applied to Dutch football but is nevertheless impactful given that it relates to a product that has a particular consumer base in the Netherlands. For Sweden, a limitation of Divisions 1-4 is imposed across all global football betting markets offered by its licensed operators.

A perceived concern regarding the integrity risk from lower-level football is often cited when such restrictions are imposed. However, competition alert level data shows that matches from tier 5 and lower account for only 10% of all football alerts, and tier 4 and lower 17%. Tiers 1-3 account for over 60% of alerts.

Competition tier restrictions often fail to recognise the existing operator risk management systems employed by well-regulated operators, and many jurisdictions permit their licensed operators to offer consumers risk assessed markets at any level.

ALERTS BY COMPETITION TIER 2017-23



FRIENDLY MATCHES

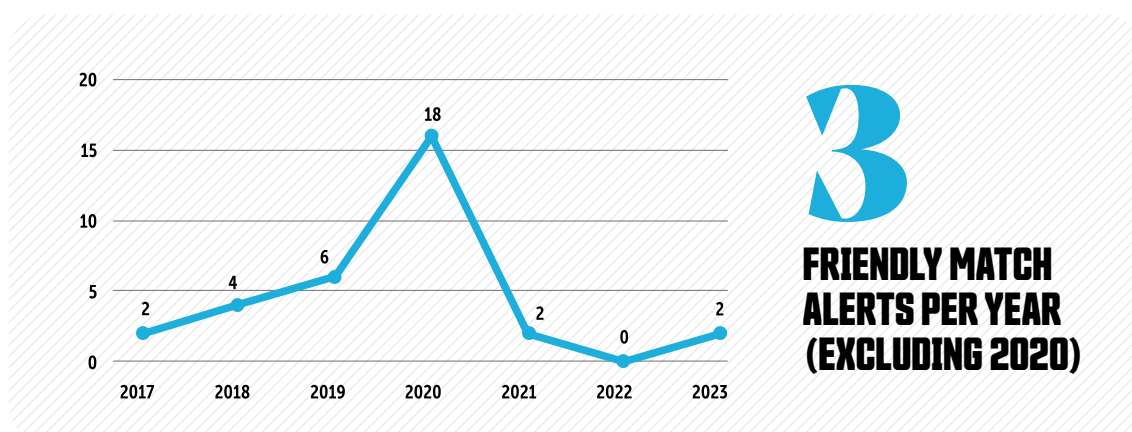
There are now a myriad of friendly football matches played around the world, with leading European clubs seeing significant commercial and brand value from those matches, which are often broadcast. Some jurisdictions have however determined to restrict betting on friendly football matches, again due to a perceived integrity risk.

Germany limits betting on friendly matches to the main national team, precluding all other matches. In Sweden, betting on friendly matches involving Swedish teams is limited to national team U21 level up to full national team fixtures, which therefore precludes club friendlies.

In the Netherlands, friendly matches are limited to those organized under the auspices of an international federation (FIFA, UEFA etc.) or national association. The main issue with this approach is, as pointed out in previous research (Combating Match Fixing in Club Football Non-Competitive Matches), that many friendly matches are not officially sanctioned thereby impacting the availability of those matches for betting.

During 2017-23, suspicious betting activity was identified on 34 friendly football matches that were played in 13 different jurisdictions, with two jurisdictions accounting for nearly half (44%) of all suspicious betting activity. Friendly matches amounted to 8% of all alerts and equated to an average of five alerts per year. That should however be considered within the context of the significant uplift in friendly football match alerts in 2020 due to the unavailability of competitive football during the global pandemic. Removing the anomalous 2020 figure from calculations results in an average of three friendly match alerts per year during the remaining 2017-2023 period, amounting to 5% of all alerts on IBIA members' markets.

FRIENDLY FOOTBALL MATCH ALERTS 2017-23



As previous research has highlighted, IBIA's regulated sports betting operator members offer up to 7,500 friendly matches per year. That such a significant number of non-competitive football matches are offered attests to the continuing consumer demand for that product when most competitive football has paused. Those jurisdictions that restrict or ban friendly matches should consider the impact of that consumer demand and that, excluding the anomalous pandemic period in 2020, friendly matches accounted for one alert for every 2,500 matches offered during 2017-23 with IBIA members, with 99.96% of matches showing no integrity issues.

The prohibition of betting on friendly football matches, notably those involving top level teams (e.g. Liverpool v Real Madrid), which are often broadcast and part of wider pre-season competitions, such as the Soccer Champions Tour or the Premier League Asia Trophy, is unfounded from an integrity perspective and counterproductive to onshore channelisation. A targeted and risk assessed approach to offering friendly matches is far more conducive to meeting the clear and growing consumer demand for betting on pre-season football.

MAIN BETTING MARKETS

The main betting markets (result, handicap, goals) generate the highest spend. These are the core markets that consumers expect to be available and are widely offered in most regulated markets. However, some licensing jurisdictions have placed restrictions on the availability of these core markets.

Germany imposes both a sports catalogue (competitions on which bets can be offered) and a bet type catalogue (bets that are permitted). Within the latter, it not only restricts bets that are permitted to be offered in-play, but also determines the types of bets that can be offered pre-match.

Portugal similarly dictates the types of bets and sporting events that can be offered by its licensed operators to Portuguese consumers. However, it allows a much wider range of in-play betting product options which, unlike Germany, are comparable to the number of pre-match options offered.

While football is not the dominant betting product in Australia, it is sizeable enough to be a contributory factor in the consumer migration offshore resulting from the blanket ban on all in-play sports betting products.

MAIN FOOTBALL BETTING MARKETS OFFERED IN-PLAY COMPARED TO PRE-MATCH

In-play Offering	Country	Channelling (2024e)
100%	Great Britain	97%
100%	Italy	94%
100%	Ontario	92%
100%	Denmark	90%
100%	Spain	90%
100%	Sweden	90%
100%	Netherlands	88%
100%	Portugal	79%
100%	Canada (ex. Ontario)	11%
26%	Germany	60%
0%	Australia	75%

Given the leading position of football betting within the European market, it is unsurprising that onshore channelling is noticeably lower in Germany compared to many other European countries. Limiting the main betting markets in football is a significant driver of consumer spend offshore and Germany is a prime example of the adverse impact of restricting those betting markets, notably in-play, with onshore licensed operators.

Licensed operators in less product restrictive markets such as Great Britain and Italy often offer football matches with over 150 market options for betting both pre-match and in-play. The number of markets offered is determined by the operator within the regulatory framework, which requires operators to monitor and report social gambling and sporting integrity concerns. The resulting onshore consumer channelling rate is 97-98%.

ALERT DATA

Sporting integrity concerns are often employed as a justification for limiting betting markets. IBIA members offered approximately 950,000 football matches for betting during 2017-23. Over that same period, IBIA reported 359 football matches that were the subject of suspicious activity in the main football betting markets. That is equivalent to one alert for close to every 2,650 matches offered for betting.

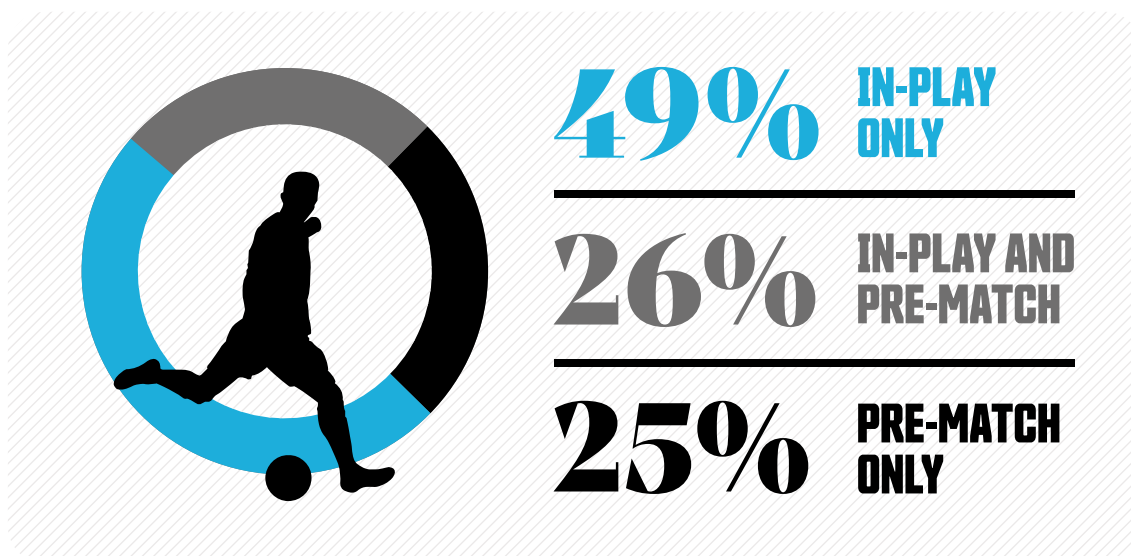
MAIN FOOTBALL BETTING MARKET ALERTS (2017-23): KEY STATISTICS



NOTE: One alert involved both main market and side market betting.

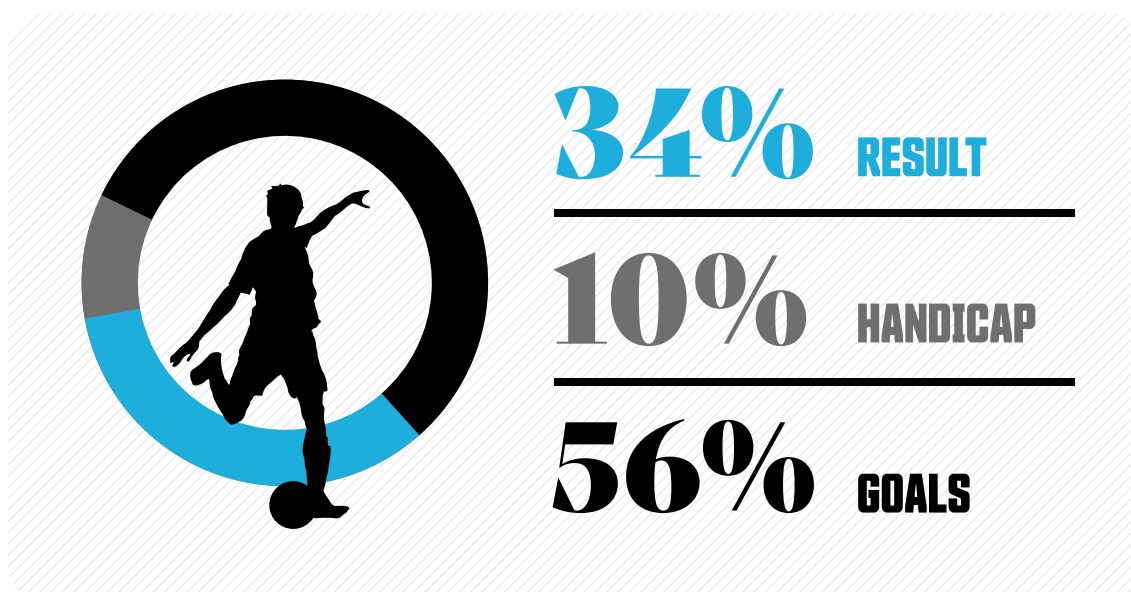
Football matches offered for betting involving the main betting markets showed no integrity concerns with IBIA's regulated members in 99.96% of cases. It is important to highlight that nearly all pre-match bets can be offered in-play. Any focus on in-play is a result of the often higher market liquidity for that product. Even if in-play was the overwhelming focus of potential corruption, which the data shows is not the case (51% involves pre-match) then corruption would simply migrate to the pre-match product with adjusted liquidity levels.

MAIN FOOTBALL BETTING MARKET ALERTS BY IN-PLAY AND PRE-MATCH (2017-23)

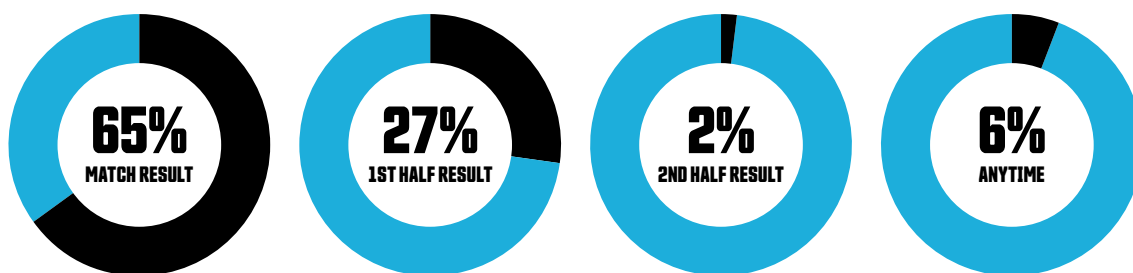


The ability for corrupters to migrate and to seek to conceal their nefarious activities across products is fully recognised by well-regulated and globally operational sports betting businesses, with well-established risk protocols employed to identify that activity. Suspicious betting was identified on 39 main football betting markets during 2017-23, with the goals markets (e.g. correct score, over/under, margin of win) targeted most often by corrupters. The final result was the most targeted bet by match period.

MAIN FOOTBALL BETTING ALERTS BY CORE PRODUCT SEGMENTS (2017-23)



MAIN FOOTBALL BETTING ALERTS BY MATCH PERIOD (2017-23)



The seven most targeted main betting markets for football (soccer) accounted for 71% of the total. That involved: result (match), result (half time), Asian handicap, total goals over/under (match), total goals over/under (half time), correct score (match) and half time/full time. These are core markets expected by consumers and any restriction of these products will inevitably impact onshore channelisation.

Corrupters focus on such markets to seek to disguise their activity within markets with larger liquidity. The sophisticated internal systems used by well-regulated operators are calibrated to recognise such activity. It is important to recognise, when considering the proportionality of product availability, that corruption on all football markets accounted for 0.04% of matches offered during 2017-23 on IBIA members' markets.

The solution to this issue is identification, investigation and sanction, not restriction or prohibition; more effective and targeted solutions are available and should be deployed by operators and regulatory authorities.



CONSUMER DEMAND

The main football markets are forecast to generate over \$500bn of turnover globally in 2024 through online and land-based channels, leading to total gross win of \$46.3bn. Around 75% (\$370bn) of this turnover is expected to come through online sports betting providing \$26.8bn in GGR and showing strong consumer demand.



Onshore betting market restrictions, even if evidence-based and data driven, which is not the case with the in-play restrictions imposed on the main football markets in Germany and Australia, have little if any positive integrity impact. Onshore restrictions cannot address an issue primarily taking place offshore. Moreover, offshore consumer migration is counterproductive from both a societal standpoint and a revenue generating perspective.

In this respect, onshore restrictions for a core product like the main football betting markets penalise onshore operators and consumers and serve to encourage the latter to seek prohibited betting products offshore. Establishing a viable and effective offshore betting market requires a wide product range to be available and one that is importantly able to compete with any offshore offering unhindered by product restrictions.

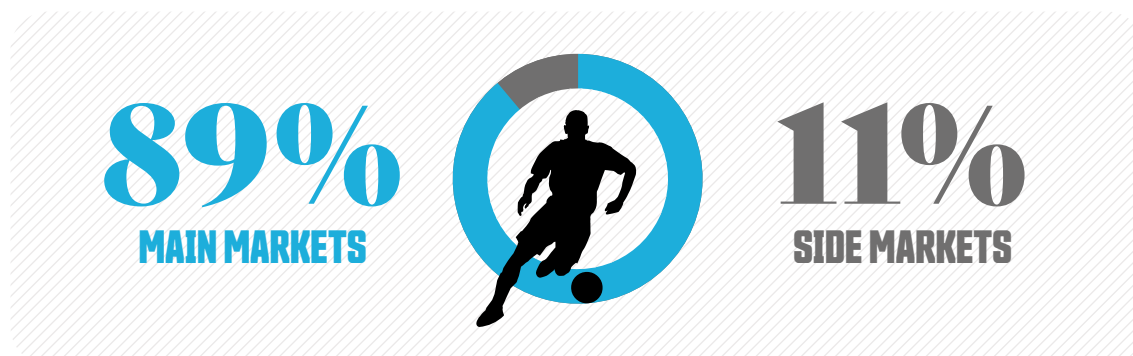
SIDE BETTING MARKETS

The availability of side markets, notably betting on cards and corners, has been an area of particular focus for policymakers and regulatory authorities. Some parties have determined that markets of that nature, sometimes referred to as negative events, are of an increased integrity risk. As such, they have determined to prohibit or severely restrict such markets from being offered by their licensed sports betting operators.

ALERT DATA

A consideration of the validity of the concerns expressed regarding side markets has been considered against the available data, notably IBIA member market and alert data. A total of 45 alerts were raised involving suspicious betting on side markets from 404 alerts on football during 2017-23, thereby equating to 11% of all football alerts.

FOOTBALL MATCH BETTING ALERT % SPLIT (2017-23)



Approximately 425,000 football matches were offered for betting during 2017-23 involving cards and/or corners products. The 45 match alerts amount to one alert for close to every 9,450 matches where side market wagering has been offered.

SIDE MARKET FOOTBALL MATCH BETTING ALERTS (2017-23): KEY STATISTICS

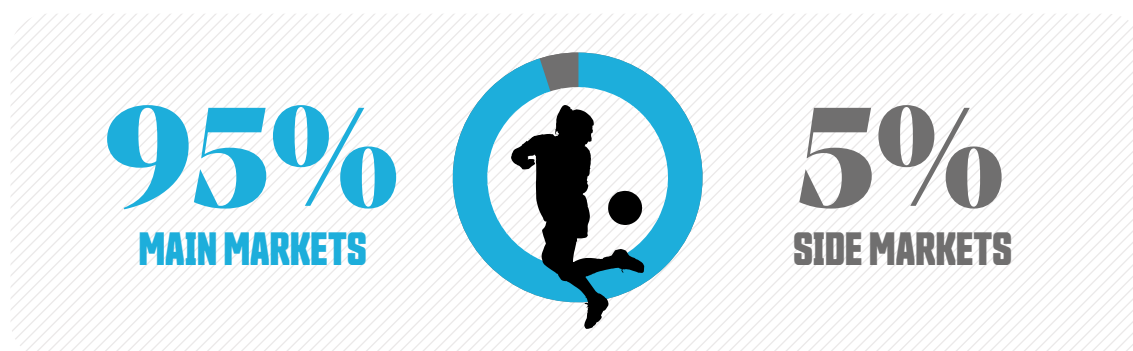


Whilst both the main and side betting markets show a very low integrity risk relative to the number of matches offered, the integrity position with side markets is marginally better than the main markets: 99.99% v 99.96%.

The rationale for prohibiting side markets is to ban the market as a supposed means of removing a significant integrity risk. However, a match alert often involves suspicious betting across multiple markets. A more granular assessment has therefore been undertaken of the markets (rather than matches) on which suspicious betting took place.

That comprehensive analysis shows that of the 1,174 occasions that football (soccer) betting markets showed suspicious activity, only 5% involved side markets. Even when considering that side markets are not offered with every match (nor is every type of main market), accounting for around half of the overall football match offering, it is nevertheless clear that these markets are not the favoured product for corrupters.

SUSPICIOUS BETTING BY MARKETS TARGETED % SPLIT (2017-23)

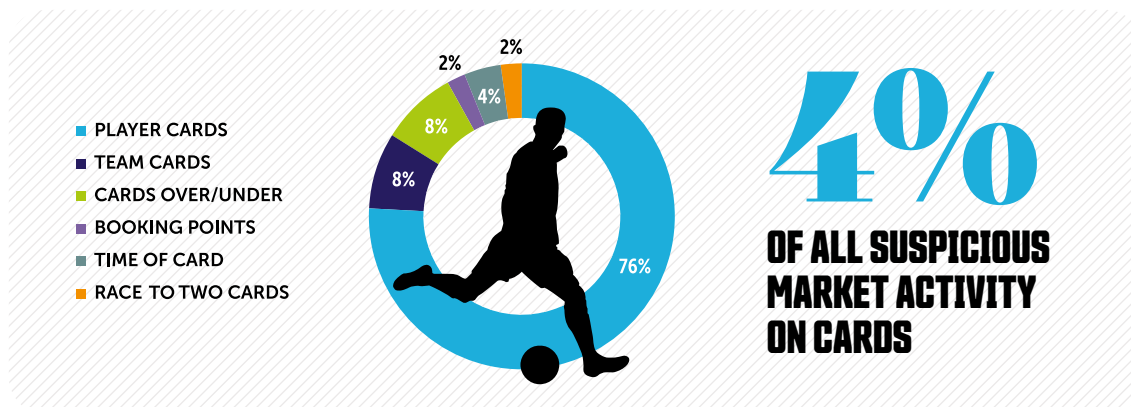


A key reason for this is the lower maximum stake size offered by regulated operators on side markets compared to the main betting markets. Internal risk management processes are also adjusted to account for potential suspicious betting activity on those side markets, which is primarily cards and corners betting.

BETTING ON CARDS

Betting on card markets accounted for 4% of total suspicious betting market activity during 2017-23. While the majority (76%) of that activity concerns specific player card markets, it is important to note that this represents only 3% of all suspicious betting market activity. It is also important to recognise that the many other variations of card markets (e.g. team, match, over/under, handicap) have very low integrity concerns (1%).

SUSPICIOUS BETTING ON CARDS BY MARKETS TARGETED % SPLIT (2017-23)



The 40 football matches on which suspicious betting concerns were raised involving card betting took place in 15 sporting nations. Two of those sporting nations accounted for nearly half (45%) of all match alerts, with four sporting nations accounting for 68% of all football match card alerts.

SUSPICIOUS CARD BETTING BY SPORTING NATION (2017-22)

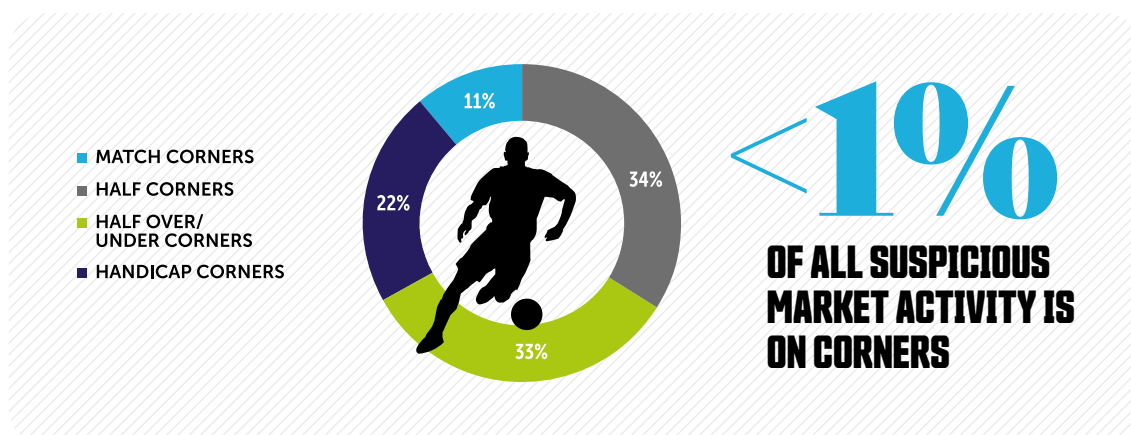
4 SPORTING NATIONS = 68% FOOTBALL MATCH CARD ALERTS

In addition to questioning the validity and benefit of any restrictions on card markets, this raises questions concerning the justification of imposing blanket bans given the clear targeted nature of the suspicious activity. Indeed, football (soccer) matches in two of the countries focused on in this report, which ban betting on cards, account for 13% of card alerts.

BETTING ON CORNERS

Betting on corner markets accounted for 1% of football match alerts and less than 1% of all suspicious betting market activity during 2017-23. The five match alerts were spread across five different sporting nations. Corner betting is one of the safest markets offered across all football betting markets and in relation to side market betting.

SUSPICIOUS BETTING ON CORNERS BY MARKETS TARGETED % SPLIT (2017-23)



CONSUMER DEMAND

IBIA members' data for side market betting, involving singles and combination wagers, shows that those bets amount to 16% of total online football turnover, which equates to around \$70bn of betting turnover globally.

FOOTBALL SIDE MARKET BY TURNOVER GLOBALLY (2024e)

There is clearly significant consumer demand for betting on football side markets. Those bets provide regulated betting operators with 20% of their total online football gross win, which equates to \$6.7bn in taxable revenue.



\$70bn

BETTING ON CARDS AND CORNERS IN REGULATED MARKETS

FOOTBALL SIDE MARKET GROSS WIN GLOBALLY (2024e)

20% OF ONLINE GROSS WIN = \$7bn IN TAXABLE REVENUES

The Netherlands and Sweden both currently have side market restrictions. Sweden permits betting on corners on all permitted football, but prohibits cards betting on Swedish football (albeit allowing cards betting on all permitted football outside of Sweden). The Netherlands, however, bans all cards and corners betting on all permitted football.

The operator market data supplied for this study, along with data from other markets, suggests that around 15% of the football market is being ignored by prohibiting all side markets – or that the football market would increase by approximately 18% with the addition of those markets. Applying this uplift to the market in the Netherlands would lead to an extra \$118m of tax revenue over the next five years.

LOST TAX REVENUE FROM SIDE MARKET RESTRICTIONS (2024-28)



\$118m

NETHERLANDS

This analysis is based purely on the spend of existing onshore customers. In reality, the increase in tax revenue could be much higher, as it would bring some offshore players back onshore, capturing all of their offshore spend, and not just their spend on football side markets.

مستقبل
البيئة

OVERVIEW

Global tennis GGR is expected to reach \$4.4bn in 2024 and is forecast to be over \$6bn annually by 2028. Tennis is one of the most popular sports globally for betting, notably online. This is due to the sheer volume of matches and the fact that it is played worldwide; there is therefore tennis betting product availability around the clock. It is particularly strong in Europe, where its GGR is second only behind the globally dominant football (soccer) product.

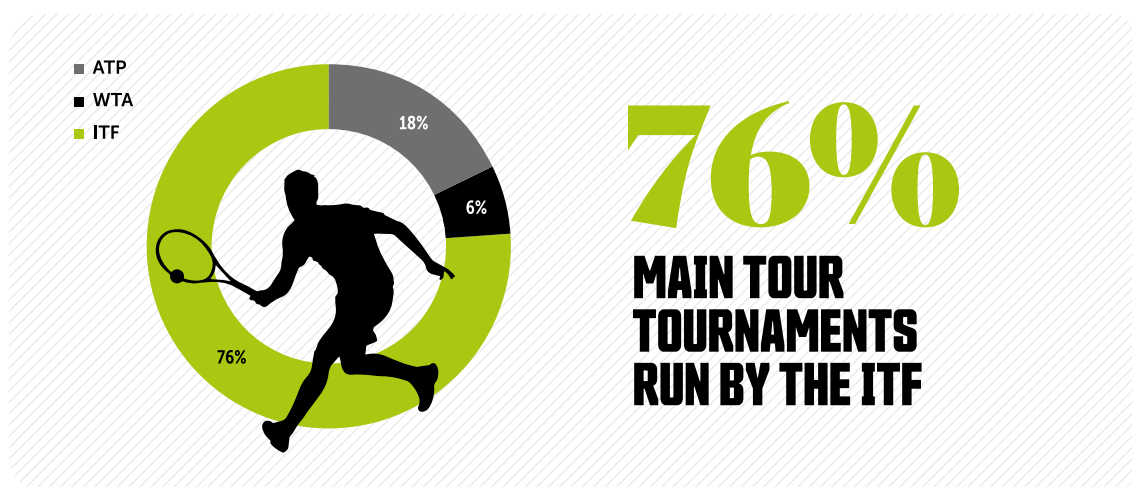
BETTING PRODUCT % SPLIT FOR TENNIS BY REGION (2024e)

GLOBAL	EUROPE	ASIA	LATIN AMERICA	AFRICA	NORTH AMERICA
5%	8%	2%	6%	6%	3%

Note: Asia includes Oceania. Includes online and land-based betting.

The main (or traditional) tennis tours are governed by separate entities, namely: four independently run Grand Slam tournaments, Association of Tennis Professionals (ATP), Women's Tennis Association (WTA) and the International Tennis Federation (ITF). These tours provided nearly 4,000 tournaments across 2021-23.

ATP, WTA & ITF TENNIS TOURNAMENTS IN 2021-23



Source: ATP, WTA, ITF

The vast majority (76%) of those main tour tennis tournaments were governed by the ITF. Some jurisdictions have however determined to prohibit betting on ITF competitions due to a perceived increased integrity risk.

For example, Portugal prohibits betting on all ITF tennis, while Germany prohibits the vast majority of that tour (98% on 2023 tournament numbers), only permitting ITF W100 events, and that was only added to the permitted catalogue published in late 2023. Betting on ITF W100 matches is also limited to the match and tournament winner markets, thereby also prohibiting betting on nearly 90% of the permitted bet type catalogue in Germany, which is already significantly restricted compared to most other regulated markets.

The updated permitted sports catalogue in Germany includes the addition of the men's ATP Challenger 175, 125 and 100 tournaments (added to the Grand Slams and main ATP events), but excludes Challenger 75 and 50 events. That latter two made up nearly 60% (115 of 196 tournaments) of the Challenger Tour in 2023.

As with betting on ITF W100 matches, ATP Challenger Tour betting is also limited to the match and tournament winner markets, again prohibiting betting on nearly 90% of the permitted bet type catalogue in Germany. The Netherlands also limits the markets on which tennis betting can take place, prohibiting betting on the win/loss of a specific game or set, and also banning bets on double faults.

ONLINE TENNIS BETTING PRODUCT AVAILABILITY

	BET TYPE	Grand Slam	ATP	ATP Chal'	WTA	ITF	OPERATOR LICENSING	CHANNELLING	
								2022	2024e
GREAT BRITAIN	Pre-match	✓	✓	✓	✓	✓	✓	98%	97%
	In-play	✓	✓	✓	✓	✓	✓		
ITALY	Pre-match	✓	✓	✓	✓	✓	✓	93%	94%
	In-play	✓	✓	✓	✓	✓	✓		
ONTARIO	Pre-match	✓	✓	✓	✓	✓	✓	69%	92%
	In-play	✓	✓	✓	✓	✓	✓		
DENMARK	Pre-match	✓	✓	✓	✓	✓	✓	89%	90%
	In-play	✓	✓	✓	✓	✓	✓		
SPAIN	Pre-match	✓	✓	✓	✓	✓	✓	84%	90%
	In-play	✓	✓	✓	✓	✓	✓		
SWEDEN	Pre-match	✓	✓	✓	✓	✓	✓	89%	90%
	In-play	✓	✓	✓	✓	✓	✓		
NETHERLANDS	Pre-match	✓	✓	✓	✓	✓	✓	74%	88%
	In-play	✓	✓	✓	✓	✓	✓		
PORTUGAL	Pre-match	✓	✓	✓	✓	X	✓	74%	79%
	In-play	✓	✓	✓	✓	X	✓		
AUSTRALIA	Pre-match	✓	✓	✓	✓	✓	✓	78%	75%
	In-play	X	X	X	X	X	✓		
GERMANY	Pre-match	✓	✓	✓	✓	✓	✓	59%	60%
	In-play	✓	✓	✓	✓	✓	✓		
CANADA (EX. ONTARIO)	Pre-match	✓	✓	✓	✓	✓	X	10%	11%
	In-play	✓	✓	✓	✓	✓	X		

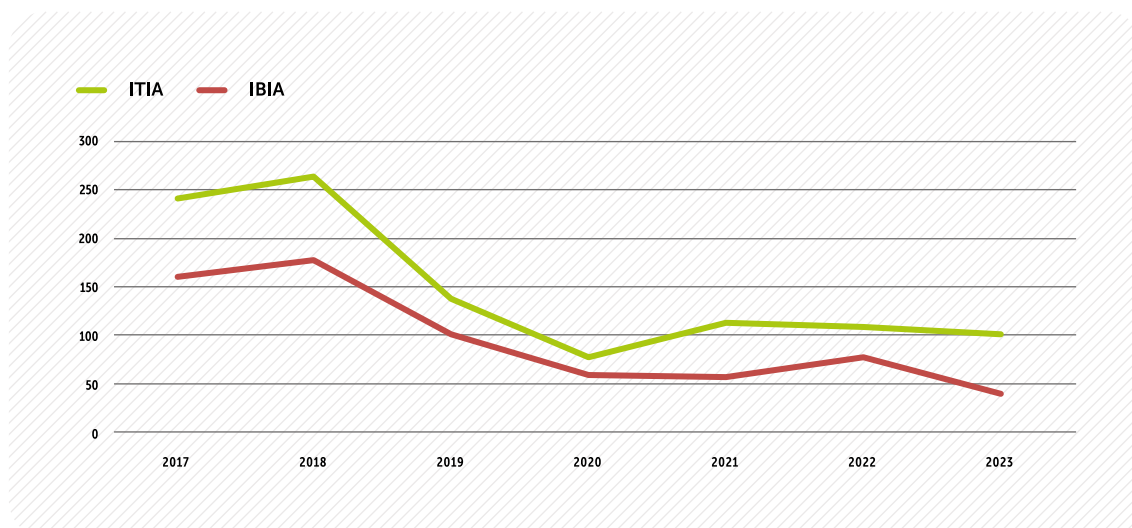
KEY: ✓ Minimal Restrictions; ✓ Impactful Restrictions; ✓ Significant Restrictions; X Prohibited.

NOTE: Australia product availability is set against the Northern Territory regulations. Canada (ex-Ontario) product availability set against Play Alberta offering but can vary by province.

ALERT DATA

IBIA's tennis alerts have consistently accounted for the majority of the alerts reported to the ITIA, representing 71% in 2022, for example. However, the International Tennis Integrity Agency (ITIA) also provides publicly available reports of suspicious betting reported to it on a quarterly and annual basis from all parties that provide such alerts. The ITIA's statistics have therefore been employed in this study as the most representative measure of potential corruption on the main tennis tours.

ITIA AND IBIA MAIN TOUR TENNIS ALERTS 2017-23

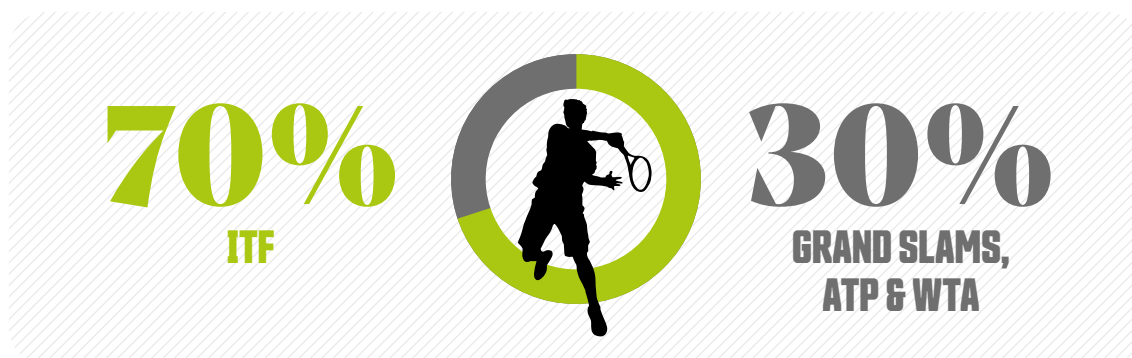


It is important to note that main tour tennis alerts have shown a marked reduction during the period 2017-23 for both the ITIA and IBIA. The ITIA's figures for the most recent years of 2021-23 have been the focal point for this analysis as tennis was particularly hit by the reduction in sporting events during 2020 and more recent data therefore provides a more accurate picture.

ITF TOUR

The main focus of the availability of betting on tennis has been the ITF Tour and where some jurisdictions have severely restricted or prohibited access to that product. It is an approach that is presumed to be predicated on the number of suspicious betting alerts generated by that tour.

MAIN TENNIS TOUR SUSPICIOUS BETTING ALERTS BY TOUR (2021-23)



Whilst the ITF Tour does generate the highest number of betting alerts, that should be viewed in the context of the sizeable number of tournaments (and matches) provided by that tour. That amounted to 76% across the main tours 2021-23. It should be noted that the ITF has introduced a range of mitigating measures to protect the integrity of its events and that the ITIA continues to employ its own initiatives, from investigation and sanction to player education, that have clearly had a positive impact.

MAIN TENNIS TOURS: ALERTS BY TOURNAMENT NUMBERS (2021-23)

Tour	Tournaments	Betting Alerts	Alerts per Tournament
ATP	712	99	0.14
WTA	226	6	0.03
ITF	2,965	210	0.07

Note: Excludes Grand Slams.

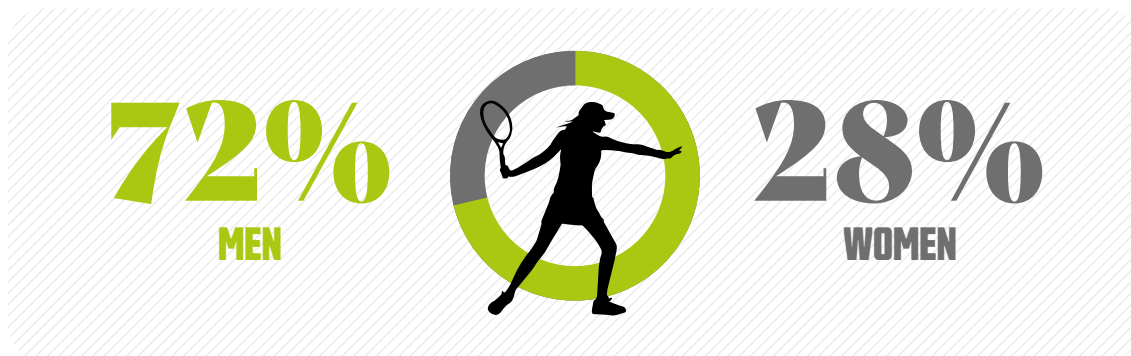
While the alert numbers may be higher, as a result of a significant number of additional tournaments, it is clear from a consideration of the ITF Tour that it does not pose a significantly heightened risk compared to the other tours from an alert to tournament/match ratio. A deeper consideration of ITF alerts is necessary to analyse that risk more completely, notably across the various levels of the global events governed by that tour.

ITF TOURNAMENT AND MATCH ALERTS BY TOUR LEVEL (2021-23)

ITF Tour	Tournaments	Betting Alerts	Alerts per Tournament
W100	42	0	0
W80	22	2	0.09
W60	182	9	0.05
W40	53	10	0.19
W25	518	9	0.02
M25	572	53	0.09
W15	662	29	0.04
M15	914	98	0.11
Total	2,965	210	0.07

While the ITF men's tour consists of M15 and M25 events, the women's tour consists of a wider array of competitions: W15, W25, W40, W60, W80 and W100 events. Of those competitions, men's M15 events alone accounted for nearly half (47%) of all ITF alerts in 2021-23, with that rising to 72% with M25 added. All women's ITF events combined accounted for only 28% of ITF alerts, and only 18% of all main tennis alerts over the same period.

ITIA TENNIS ALERTS BY % GENDER SPLIT (2021-23)



A blanket ban of all ITF tennis seems a disproportionate and unevidenced approach. The men's ITF Tour generates the majority of tennis alerts based on data from both IBIA and the ITIA. The number of alerts, and the associated risk profile, for ITF women's tennis is therefore significantly lower, but it appears to be categorised within a wider general ITF higher risk classification.

The ITIA's data shows that ITF W80-100 events combined have 2 alerts for 64 tournaments and 4,277 matches, the latter equating to one alert for every 2,139 matches. The ITF W25 tour is of a similarly low integrity risk with 9 alerts from 518 tournaments and 38,052 matches over the same three-year period, equating to one alert for every 4,228 matches.

ITF W25 & W60-100 MATCH ALERTS (2021-23)



Combined, the W25 and W60-100 had only 11 suspicious betting alerts across 42,329 matches at nearly 4,000 matches per alert. To enforce a complete ban for 77% of the main tennis tours from the betting product is not proportionate and clearly acts as driver for consumers to access those ITF products via the offshore market.

It is important to recognise that ITF W40-100 competitions, along with the WTA 125, are equivalent to the men's ATP Challenger Tour. The Challenger Tour is widely permitted, including in Portugal. However, in that jurisdiction, and others, the equivalent ITF W40-100 is not permitted, only the WTA 125 is allowed.

AVAILABILITY OF ATP, WTA & ITF TENNIS IN PORTUGAL BY TOUR AND GENDER (2021-23)

Men's Tour	Tournaments	Alerts	Alerts	Tournaments	Women's Tour
ATP Finals					WTA Finals
ATP 1000	185	13	6	156	WTA 1000
ATP 500					WTA 500
ATP 250					WTA 250
ATP Challenger 175			0	70	WTA 125
ATP Challenger 110/125					ITF W100
ATP Challenger 90/100	527	86	21	299	ITF W80
ATP Challenger 75/80					ITF W60
ATP Challenger 50					ITF W40
ITF M25	1486	151	38	1180	ITF W25
ITF M15					ITF W15
TOTAL	2,198	250	75	1,705	TOTAL

Key: ■ Permitted ■ Prohibited

To put this into context, comparing the integrity risk for the men's ATP Challenger Tour and ITF women's equivalent W40-100 & WTA 125 during 2021-23 shows that the women's tour is again significantly lower, accounting for only 20% of alerts compared to 80% with the ATP Challenger Tour.

ITIA TENNIS ALERTS FOR ATP AND ITF/WTA CHALLENGER LEVEL % SPLIT (2021-23)



The Challenger Tour is an important part of the tennis betting product, and its prohibition would make the offshore market attractive to consumers wanting to wager on that tour. It is therefore important that the Challenger Tour is permitted with licensed onshore operators, but similarly also valid that the ITF W40-100 (along with WTA 125) is permitted for betting as an equivalent level competition, which shows a low integrity risk profile.

CONSUMER DEMAND

Tennis betting is particularly strong in Europe, which is expected to provide nearly 60% of the global total of \$4.4bn in GGR in 2024. That is forecast to reach \$6.3bn globally by 2028, primarily driven by European consumer spend and is expected to reach \$3.3bn in GGR in that region. Strong growth is also expected in North America with a doubling in tennis betting GGR to around \$1bn and more than doubling in Africa to \$0.7bn by 2028.

TENNIS BETTING GGR SPLIT BY REGION (2024e)

GLOBAL	EUROPE	ASIA	LATIN AMERICA	AFRICA	NORTH AMERICA
\$4.4bn	\$2.6bn	\$0.7bn	\$0.3bn	\$0.3bn	\$0.5bn

ITF competitions account for 17% of tennis wagering globally, and 43% of all matches on which operators offer wagering. There is clear demand for this product. Prohibition will lead to a significant reduction in total tennis wagering activity, as well as being a potential driver for consumers seeking the product offshore.

MAIN TENNIS TOUR AVAILABILITY IN GREAT BRITAIN. PORTUGAL AND GERMANY (2023)

GREAT BRITAIN		PORTUGAL		GERMANY	
ALL TOURS 100%		ALL TOURS 23%		ALL TOURS 17%	
MEN 100%	WOMEN 100%	MEN 31%	WOMEN 13%	MEN 17%	WOMEN 17%

Source: Grand Slams, ATP, WTA, ITF & IBIA. NOTE: Germany assumes Challenger 175, 125 & 100 available throughout 2023 (part of the updated list published in late 2023).

Portugal prohibits all ITF tennis. It is therefore no surprise that the Portuguese market generates a significantly lower proportion of wagering turnover on tennis than neighbouring Spain or Italy where betting on ITF is permitted. If Portugal were able to increase the proportion of wagering on tennis to the level seen in Spain and Italy, this would lead to an extra \$122m in tax revenue over the next five years.

LOST TAX REVENUE FROM RESTRICTING TENNIS BETTING IN GERMANY AND PORTUGAL (2024-28)



\$60bn

**ATP CHALLENGER
GLOBAL BETTING
GGR IN 2024**

The ITF and ATP Challenger tours combined account for 56% of all matches globally on which wagering is offered by online sports betting operators, and over 30% of all tennis turnover. If Germany were able to reach the same proportion of wagering on tennis as in other countries, this would lead to over \$113m of extra tax revenue over the next five years.

The approach in Germany to significantly limit the availability of ATP Challenger is undoubtedly counterproductive - it is forecast to generate \$60bn of gross win globally in 2024 - and further compounds the adverse impact on onshore channelisation from the prohibition of 98% of the ITF Tour.



AND SLAMS
 ATP FINALS
 ATP 1000
 ATP 500
 ATP 250
 ATP CHALLENGER 175
 ATP CHALLENGER 110/125
 ATP CHALLENGER 90/100
 ATP CHALLENGER 75/80
 ATP CHALLENGER 50
 ITF M25
 ITF M15
 WTA FINALS
 WTA 1000
 WTA 500
 WTA 250
 WTA 125
 ITF W100
 ITF W80
 ITF W60
 ITF W40
 ITF W25
 ITF W15



BASKETBALL BETTING

OVERVIEW

With close to \$8bn in GGR expected in 2024, global betting on basketball is forecast to reach over \$11bn in GGR by 2028, albeit that will still be some way behind football (soccer) at around \$71bn. While betting on basketball is popular in Europe and Asia, its forecast position as the second most bet on sport globally in 2024 is primarily due to the strong consumer demand in North America and the state regulation of betting that has been established across much of the US since 2018.

BETTING PRODUCT % SPLIT FOR BASKETBALL BY REGION (2024e)

GLOBAL	EUROPE	ASIA	LATIN AMERICA	AFRICA	NORTH AMERICA
8%	5%	8%	2%	1%	20%

Note: Asia includes Oceania. Includes online and land-based betting.

There is a wide availability of betting on basketball across many of the jurisdictions analysed in this study. However, restrictions on the number of competitions are imposed in Portugal and Germany. Restrictions on the in-play betting product are also imposed in Australia (prohibition) and Germany (severely limited). As is the theme throughout this report, those product restrictions hamper onshore channelisation and the resultant market oversight, consumer protection and taxable returns. Integrity issues with basketball are relatively low with the regulated operators in this study, further questioning the justification for those product restrictions

ONLINE BASKETBALL BETTING PRODUCT AVAILABILITY

	LEAGUES & COMP'	BET TYPE	BETTING PRODUCT			Props	OPERATOR LICENSING	CHANNELLING	
			Money Line	Spread	Totals			2022	2024e
GREAT BRITAIN	✓	Pre-match	✓	✓	✓	✓	✓	98%	97%
		In-play	✓	✓	✓	✓			
ITALY	✓	Pre-match	✓	✓	✓	✓	✓	93%	94%
		In-play	✓	✓	✓	✓			
ONTARIO	✓	Pre-match	✓	✓	✓	✓	✓	69%	92%
		In-play	✓	✓	✓	✓			
DENMARK	✓	Pre-match	✓	✓	✓	✓	✓	89%	90%
		In-play	✓	✓	✓	✓			
SPAIN	✓	Pre-match	✓	✓	✓	✓	✓	84%	90%
		In-play	✓	✓	✓	✓			
SWEDEN	✓	Pre-match	✓	✓	✓	✓	✓	89%	90%
		In-play	✓	✓	✓	✓			
NETHERLANDS	✓	Pre-match	✓	✓	✓	✓	✓	74%	88%
		In-play	✓	✓	✓	✓			
PORTUGAL	✓	Pre-match	✓	✓	✓	✓	✓	74%	79%
		In-play	✓	✓	✓	✓			
AUSTRALIA	✓	Pre-match	✓	✓	✓	✓	✓	78%	75%
		In-play	X	X	X	X			
GERMANY	✓	Pre-match	✓	✓	✓	✓	✓	59%	60%
		In-play	✓	✓	✓	✓			
CANADA (EX. ONTARIO)	✓	Pre-match	✓	✓	✓	✓	X	10%	11%
		In-play	✓	✓	✓	✓			

KEY: ✓ Minimal Restrictions; ✓ Impactful Restrictions; ✓ Significant Restrictions; X Prohibited.

NOTE: Australia product availability is set against the Northern Territory regulations. Canada (ex-Ontario) product availability set against Play Alberta offering but can vary by province. .

ALERT DATA

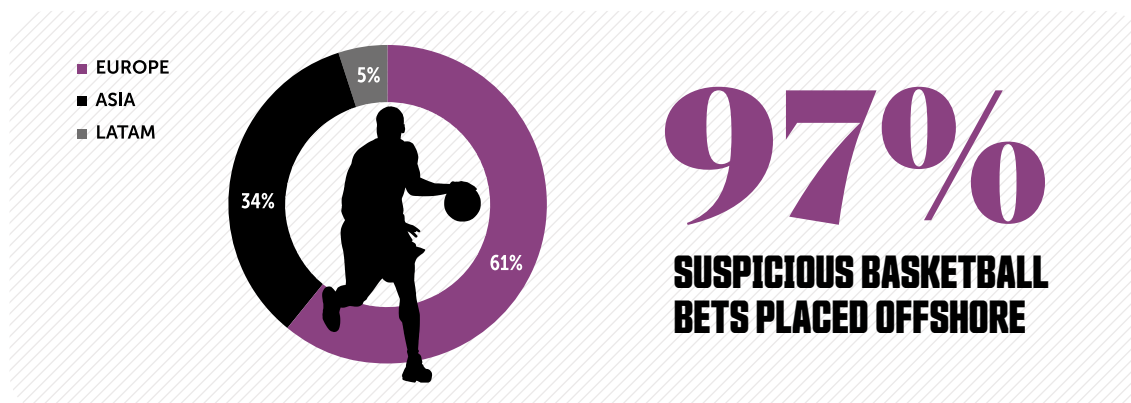
IBIA members reported 59 basketball matches as being the subject of suspicious betting during 2017-23 from around 360,000 basketball matches offered for betting. That involved matches in 26 different sporting nations and customers from 33 different country locations, with 150 locations in total across all alerts averaging nearly three different customer country locations per suspicious bet.

BASKETBALL BETTING ALERTS (2017-23): KEY STATISTICS



Suspicious basketball betting activity involved bets placed outside of the jurisdiction where the potentially corrupted sporting event took place and any regulatory framework potentially restricting such bets on 97% of occasions. Customers in 10 countries accounted for 75% of suspicious betting activity, with basketball matches taking place in the Philippines, Russia and Bulgaria accounting for nearly 50% of all alerts.

BASKETBALL ALERTS BY COMPETITION LOCATION (2017-23)



Suspicious betting activity was identified across 22 different types of basketball betting markets, with 98 markets being targeted in total at an average of more than four different types of market targeted for each suspicious match. The core basketball markets were the target of that activity, namely: money line, spread and totals; there was no suspicious activity identified on player prop markets across the 360,000 matches offered for betting by the operators in this study, which accounted for over \$270bn in betting turnover (handle) during 2023.

SUSPICIOUS BETTING BY MARKETS TARGETED % SPLIT (2017-23)



Around half (52%) of the suspicious betting was focused on markets related to the game result. The remainder was spread across the various half/quarter time periods, with no particular standout time segment targeted.

BASKETBALL BETTING ALERTS BY GAME PERIOD (2017-23)

MATCH	1ST HALF	2ND HALF	1ST QTR	2ND QTR	3RD QTR	4TH QTR
52%	11%	2%	10%	11%	10%	3%

While online betting led the product channel through which the majority of suspicious betting was placed, it is important to recognise that retail locations were also the subject of 20% of suspicious betting alerts. Monitoring for suspicious basketball betting should also include global retail activity if it is to be fully effective.

As with the data presented in the football (soccer) and tennis sections of this study, there remains no evidence that restricting or prohibiting particular basketball competitions or types of bets within a jurisdiction's regulated market serves to deter corrupters from manipulating sporting events in that jurisdiction.

CONSUMER DEMAND

The strong consumer demand in North America is expected to continue to drive the majority of basketball betting growth, increasing from \$7.9bn globally in 2024 to \$11.1bn in 2028. North America is forecast to account for close to 65% (\$2bn) of that uplift and is expected to reach around \$5.4bn in basketball GGR by 2028. That will be supported by Europe and Asia with over 20% and 30% increases in GGR to \$2.3bn and \$3.2bn respectively.

BASKETBALL BETTING GGR SPLIT BY REGION (2024e)

GLOBAL	EUROPE	ASIA	LATIN AMERICA	AFRICA	NORTH AMERICA
\$7.9bn	\$1.7bn	\$2.6bn	\$0.1bn	\$0.1bn	\$3.4bn

While basketball betting does not occupy the same level of betting interest in Asia and Europe as in North America, it is nevertheless a popular betting product in those regions. Most European jurisdictions in this study permit a wide availability of basketball competitions and types of bets; it has resulted in Europe having a significant basketball betting GGR that is only behind the tennis and football (soccer) products..

The \$1.7bn in basketball GGR forecast to be generated in Europe in 2024 is achieved despite the adverse impact of restrictions on the availability of basketball competitions and types of bets in some jurisdictions. Again, the approaches employed by Portugal and Germany are particularly restrictive and counterproductive. Germany offers only 17% and Portugal only 12% of the worldwide basketball competitions offered in Italy, for example.

BASKETBALL CATALOGUE COMPARISON: ITALY, PORTUGAL AND GERMANY (2023)

	Italy	Portugal	Germany
Catalogue Size	1,074	131	181
Catalogue Comparison % compared to Italy	-	12%	17%
Onshore Channelling 2024e	94%	79%	60%

NOTE: Excludes 3x3 basketball.

The types of bets offered in those two countries are also restricted to prescribed lists. In Germany only 28% of the basketball bets allowed pre-match are also permitted to be offered in-play. Whilst Germany and Portugal permit many major national and international basketball competitions, the relatively limited extent of the permitted list makes offshore operators an attractive alternative. The two countries have relatively low onshore channelling rates and are calculated to have a combined loss offshore of over \$900m in taxable revenues across all sports betting during 2024-28.

The availability of proposition (prop) betting has been a particular focus of discussion in the burgeoning North American market. Basketball prop betting is widely permitted outside of the US but prohibited by some US states on integrity grounds, notably player props. Given that around 55% of global basketball betting GGR in 2024 is expected to be outside of North America, it is reasonable to presume that prop betting on NBA and NCAA matches outside of the US may exceed that of any individual US state that may ban such activity.

Indeed, player prop betting is widely permitted in other parts of North America such as the Canadian Provinces of Ontario and Alberta. As the US and wider North American sports betting market continues to evolve, notably driven by the adoption of more in-play activity - North America is forecast to see significant growth in-play from 53% in 2024 to 65% of bets by 2028 - products such as team and player props are expected to again increase traction with North American consumers; prohibiting those products onshore will make offshore operators more attractive.

It is important to recognise the size and availability of betting on basketball globally when considering the impact of restricting basketball betting products within any jurisdiction. There is no meaningful integrity benefit from excluding such markets and where it is widely available offshore. More effective and proportionate approaches to product availability are employed in many jurisdictions that serve to contribute to strong onshore market integrity, high onshore channelisation, related taxation and regulatory oversight.

PROOF
MONEY

OVERVIEW

Maintaining the integrity of sporting events from betting related corruption, notably the manipulation of the event and associated wagering, has become an increasing focus of policymakers, sports and betting companies around the world. The focus of this report has been on the importance of the availability of sports betting and the adverse impact from betting product restrictions, often imposed on supposed integrity protections grounds.

As has been highlighted, prohibiting the availability of betting markets is counterproductive to onshore channelisation, regulatory oversight, taxable returns and integrity protection. Banning products onshore does not make a sporting event any less susceptible to betting corruption, and where bets are generally placed offshore; it is widely understood that the majority of suspicious betting related to the manipulation of sporting events takes place on the unregulated (illegal) betting market, notably in Asia.

Product bans in regulated betting markets are often not proportionate to the level of risk and based on flawed or unevidenced data. A range of more effective integrity measures are readily available and employed by various regulatory authorities around the world, such as information sharing, voiding suspicious bets and the suspension of betting markets.

MARKET MONITORING

The principal means of protecting a sports betting market from suspicious activity linked to competition manipulation is through monitoring, and the most efficient and widely used approach is to require licensed betting operators to utilise their market and customer oversight to identify and report suspicious betting to the relevant authorities. Whilst that model remains effective, it is increasingly recognised that there is clear value from operators also being part of a wider international integrity monitoring and alert network.

This approach adds an additional layer of protection both for operators' own businesses and also the licensed framework and its operational integrity capacity and associated reputation. It benefits from the enhanced sharing of data and establishing a common threshold for identifying and reporting suspicious betting across multiple operators. This approach has been adopted as a licensing requirement across a number of European and North American markets and forms a central pillar of the Brazilian sports betting market integrity framework.

Customer transaction account data is critical for sporting and law enforcement investigations. It allows investigators to obtain detailed information from betting operators on those who have placed suspicious bets and as such it is widely held to be more effective than odds movement monitoring data. When combined across multiple sports betting businesses operating across different jurisdictions - 91% of football (soccer) and basketball alerts combined during 2017-23 involved suspicious bets placed outside of the location of the potentially corrupted sporting event - such customer account data becomes an immensely valuable resource.

Its value is not just in uncovering potential corruption across multiple operators and markets, but also being able to discount false positives other systems, such as odds movement monitoring, may raise but where customer account data provides a justifiable reason for such betting which is not related to corruption. This prevents valuable investigatory resources from being wasted.

CUSTOMER ACCOUNT TRANSACTION MONITORING V ODDS MONITORING

	Account monitoring	Odds monitoring
Identity and location of the customer	✓	X
Disproportionate volumes of bets placed	✓	X
Customer bet type outside normal behaviour	✓	X
An unusual number of new accounts opened	✓	X
Geographical location/clustering of accounts	✓	X
Accounts showing previous suspicious behaviour	✓	X
Ability to link account activity across operators	✓	X
Every sport, bet type, channel and market offered	✓	X

While sports betting operators outside of multi-operator integrity monitoring networks may have their own internal control systems to detect suspicious betting, they will not have access to the level of international betting integrity coverage and market protection that members of a monitoring network have access to. This may increase the possibility of corruption taking place through those operators outside of monitoring networks and where they may simply not have the level of data to identify suspicious trends occurring across the wider international sports betting marketplace.

Enhanced monitoring of this nature and the resultant investigations and sanctions achieved through that approach has proven to be far more impactful as a deterrent to match manipulation. It is also more effective than sports betting market restrictions or prohibition, which merely moves betting transactions offshore and has little, if any, positive impact on the prevention of the manipulation of sporting events.

Nearly half of the jurisdictions in this study have adopted legislative provisions requiring licensed operators to be part of an international sports betting integrity monitoring body. Numerous newly regulated states across the US have similarly adopted this requirement. An international issue requires an international approach.

INTEGRITY MONITORING REQUIREMENTS OF THE JURISDICTIONS IN THIS STUDY

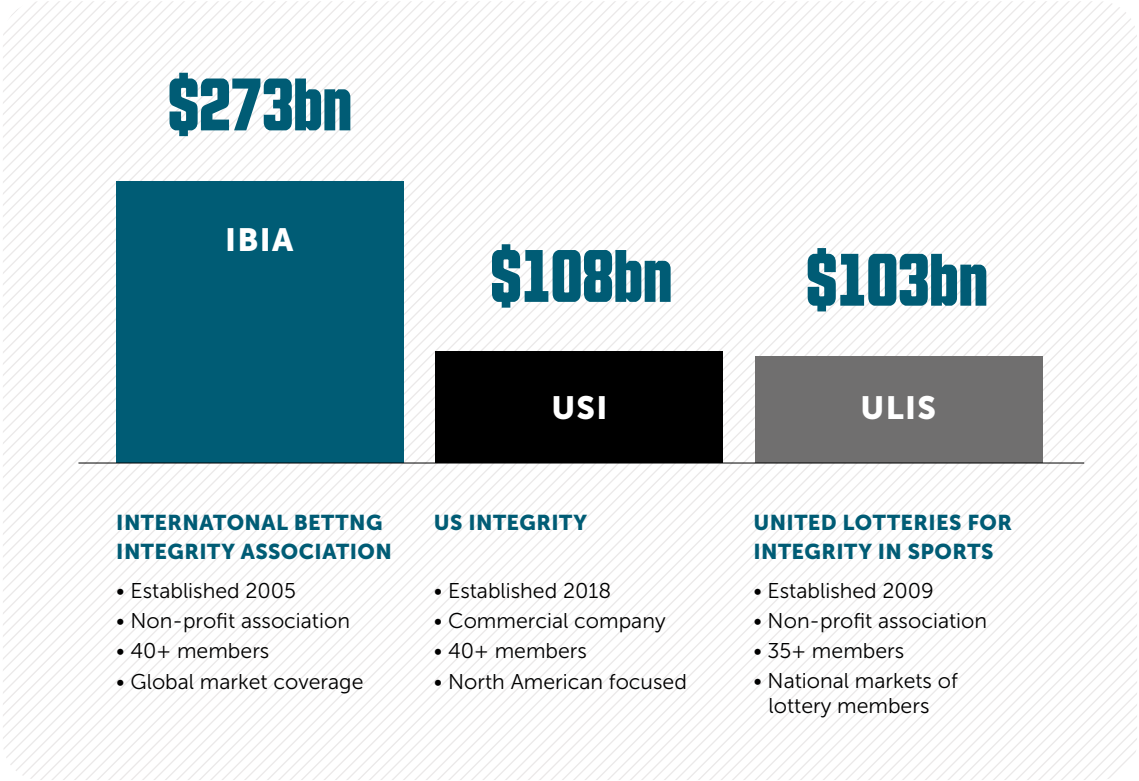
	National monitoring	International monitoring		National monitoring	International monitoring
Australia	✓	✓	Italy	✓	✓
Brazil	✓	✓	Netherlands	✓	✓
Canada (ex. Ontario)	✓	✓	Ontario	✓	✓
Denmark	✓	✓	Portugal	✓	✓
Germany	✓	✓	Spain	✓	✓
Great Britain	✓	✓	Sweden	✓	✓

KEY: ✓ Requirement in place (active); ✓ Requirement in place (awaiting enforcement);
 ✓ No requirement. *Correct as of February 2024.*

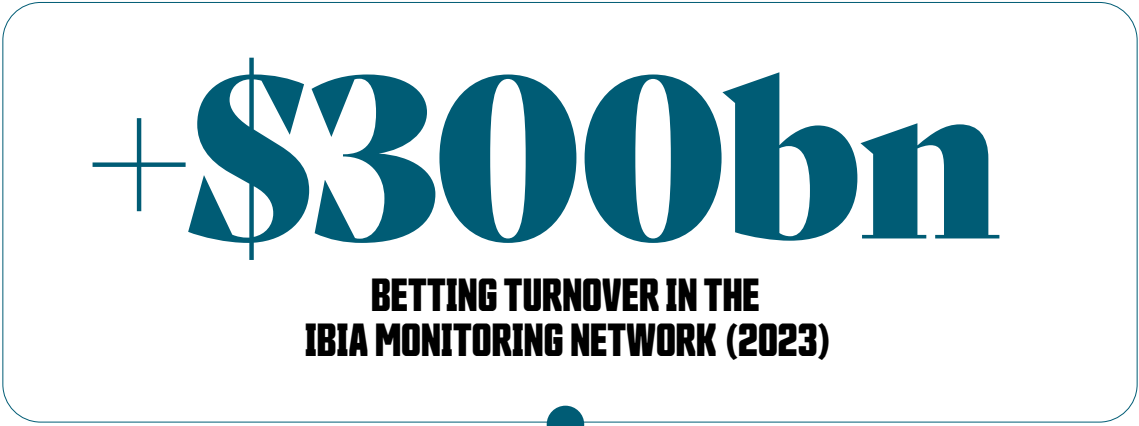
There are number of sports betting integrity monitoring organisations, which are both non-profit and commercial in nature, from which operators can chose to join. However, it is important to note that customer transaction account monitoring is only as effective as the size and scope of the global market coverage of an integrity monitoring body.

This report utilises data from the International Betting Integrity Association (IBIA), which is the largest integrity monitor of its type in the world. Its business-to-consumers (B2C) sports betting operator members had global betting turnover (handle) of \$273bn in 2023, having doubled in size from \$137bn in 2019.

APPROXIMATE B2C BETTING INTEGRITY MONITORING COVERAGE (2023)



If IBIA’s business-to-business (B2B) members, and their non-IBIA member B2C clients were included, the global customer account monitoring coverage would exceed \$300bn in betting turnover (handle).



MARKS
AND
TRADE

OVERVIEW

There are a number of jurisdictions that are moving forward with regulating their online sports betting markets to open them out to international competition, particularly in Latin America. Discussions are also taking place across North America for those states that have not yet regulated in the US and also Canadian provinces outside of Ontario. Some of the remaining European markets that have retained gambling monopoly providers, such as Norway and Finland, are also debating a new regulatory structure involving private companies. Of most interest is the gambling regulatory change in Brazil, and which provides a useful case study, albeit the analysis below is equally applicable to other regulating markets.

CASE STUDY: BRAZIL

The legislation for retail and online sporting betting and online gaming regulation in Brazil was signed in December 2023. There will be an unlimited number of licences lasting five years at a cost that is equivalent of around US\$6m (R\$30m), allowing operators to offer three brands (skins) per licence. Sports betting operators are to be taxed at 12% GGR with additional federal and local taxes taking the overall rate to around 25%.

Regulatory ordinances implementing the law are expected to be issued during 2024. Whilst no product restrictions have been presented at the time of writing (February 2024), the regulatory position will not be entirely clear until the ordinances have been issued and the market is operational. The regulatory regime and permitted product offering may also change over time. The market calculations below therefore cover a range of potential regulatory positions - there have been calls for sports betting product and online gaming restrictions - albeit the expectation is that there will be a liberal market in Brazil with a wide product offering.

An examination of the Brazilian market has been provided utilising the data from other markets set out in this study and the resultant impact of betting product availability; it is noted that differences will naturally exist due to the various nuances of individual markets and other factors that go beyond product restrictions. Four broad categories have however been identified based on the available market data in this study:

- Great Britain's regulatory model: the most open market emerging from this analysis.
- Side market restrictions, such as yellow/red card betting in football, using channelling data from Sweden and the Netherlands.
- Tennis competition restrictions and a high tax, using channelling data from Portugal.
- In-play and iGaming restrictions, primarily using comparable channelling data from Germany.

IMPACT OF PRODUCT AVAILABILITY ON THE BRAZIL SPORTS BETTING MARKET 2025e (\$m)

	Channelling Rate	Onshore Gross Win 2025e	Offshore Gross Win 2025e	Offshore Turnover 2025e	Estimated Lost Tax Revenue 2025-28e
Great Britain Model	97%	2,357	63	1,269	72
Side Market Restrictions	90%	2,181	240	4,794	270
Tennis Restrictions & High Tax	79%	1,918	502	10,042	566
In-play & iGaming Restrictions	62%	1,509	911	18,222	1,027
Current Estimates	94%	2,275	145	2,904	164

Using the channelling data from other regulatory jurisdictions, if there were to be any sports betting product restrictions in Brazil, the size of the market and onshore channelisation would be adversely impacted. Stringent restrictions could result in around \$18bn a year being wagered with offshore operators, adversely impacting player protection and sporting integrity, both of which tend to be significantly lower with offshore operators.



A highly restrictive sports betting market could cost the Brazilian government \$1.03bn in lost tax revenue over 2025-28, although it should be noted this would just be direct gambling taxes from licensed operators. Once indirect taxes and other onshore economic activity related to gambling and any potential player winnings tax are taken into account, the actual economic impact could be substantially higher.

Our current expectations are, however, that a liberal market will be established in Brazil that will achieve a high onshore channelling rate and tax returns from \$2.3bn in gross win in 2025. It is calculated that approach could achieve \$34bn in sports betting turnover and \$2.8bn in onshore gross win by 2028. A market of that nature would be an attractive proposition for sports betting operators and drive consumer spending through onshore licensed companies with the resultant regulatory oversight and taxable returns.

EXPECTED IMPACT OF A WIDE SPORTS BETTING OFFERING IN BRAZIL (2028e)

\$34bn ONSHORE TURNOVER = **\$2.8bn** TAXABLE GROSS WIN

RECOMMENDATIONS

MAXIMISING ONSHORE ACTIVITY

The evidence-based and data-driven analysis in this study shows that sports betting market restrictions adversely impact onshore channelling, and that in turn has negative consequences for regulatory oversight and taxable revenues. A market that seeks to maximise the economic impact and social protections achieved via an onshore regulated framework requires a wide sports betting product availability.

While it is acknowledged that a range of issues impact the attractiveness of the market offering, such as bonus and advertising availability, licensing costs and the taxation regime, restricting the availability of sports betting products is undoubtedly a major contributory factor in low onshore channelling rates.

Restricting product availability invariably hampers that market's development and the extent of the consequent consumer migration offshore is often equivalent to the extent of any betting product restrictions imposed: high onshore product restrictions invariably equates to high offshore consumer migration.

Finding avenues to limit channelisation offshore should be a principal ambition of policymakers and regulatory authorities. Resource intensive approaches such as blocking websites and payment processes are of limited value in a global marketplace and are often circumvented by consumers.

The central recommendation of this study is therefore that jurisdictions should permit a wide sports betting product range with onshore licensed operators or accept that consumers will seek out banned products offshore and that regulatory oversight and a sizeable amount of tax revenue will be lost.

MAXIMISING ONSHORE ACTIVITY: An optimum onshore market is most effectively achieved via minimal sports betting product restrictions and is a principal means of reducing the attractiveness of the offshore market.

ALTERNATIVES TO PROHIBITION

The most effective market framework is secured through a wide onshore product range, which is undermined by any level of product prohibition. However, whilst it may deliver the optimum market solution, it is acknowledged that moving from an existing approach of prohibition to permitting certain betting products is likely to prove a challenging step for some policymakers, even with clear evidence to support that approach.

Consideration should be given to identifying the product related reasons for offshore migration and how to make the onshore market more attractive without imposing ineffective resource intensive barriers. Whilst not delivering the optimal onshore market solution, product targeted options are more favourable to prohibition.

Proportionate product targeted approaches are therefore suggested as an interim step and as part of a continual assessment of the necessity and impact of any onshore product restrictions. When applying that approach, it is important to recognise that the various product restrictions assessed in this study will not have an equal impact on channelisation.

This study clearly demonstrates that the availability of certain bet types and sporting competitions are particularly impactful on onshore channelisation. Those sports betting products are of greater value to consumers, albeit that demand-led position may change by region and over time.

There is a stark difference in the onshore channelisation for jurisdictions that permit and those that prohibit core products such as in-play betting and betting availability on key sports such as football (soccer) and tennis. For those that prohibit such products, it is encouraged that policymakers reconsider the proportionately and impact of any product limitation using evidence-based data.

Football side markets are the target of only 5% of suspicious betting by market activity, but account for \$70bn in bets per annum, showing a relatively low integrity risk but high consumer demand. Complete bans of ITF tennis, which account for 43% of matches offered for betting, are similarly failing to recognise the nuances between the various levels of that tour (e.g. Challenger level equivalent) and the associated low level of integrity risk.

Jurisdictions that continue to restrict in-play betting will also continue to struggle with onshore channelisation. The leading global operators who contributed to this study returned an average of 66% of turnover from in-play betting, leading to 58% of gross win (against 42% pre-match).

Markets of potentially heightened integrity risk are already the subject of increased due diligence and risk assessment by regulated operators. The availability of markets and the maximum bet size allowed is determined by the event and customer risk profile. Any market limitations should be targeted and proportionate.

Evidence-based collaborative working between operators and policymakers to permit sports betting product availability will ultimately provide a more attractive onshore market for consumers and maximise taxable returns.

ALTERNATIVES TO PROHIBITION: Adopt an evidence-based targeted approach that aims to provide an integrity risk and consumer demand assessed sports betting product availability instead of stringent restrictions or prohibition.

SPORTS BETTING INTEGRITY

The rationale for prohibiting markets is often on integrity grounds. However, betting product bans are often not proportionate to the level of risk and based on flawed or unevidenced data. Banning products onshore does not make a sporting event any less susceptible to betting corruption, and where bets are generally placed offshore.

The principal means of protecting the integrity of a betting market and associated sporting events is through betting market monitoring, and the most efficient and widely used approach is to require licensed operators to utilise their market and customer account transaction oversight to identify and report suspicious betting to sporting and regulatory authorities.

Whilst that model is effective, more recent legislation has taken that approach and built upon it and, in addition to individual operator monitoring and reporting, it is increasingly recognised that there is clear value from operators being part of a wider international sports betting integrity monitoring network.

INTEGRITY MONITORING REQUIREMENTS OF THE JURISDICTIONS IN THIS STUDY

	National monitoring	International monitoring		National monitoring	International monitoring
Australia	✓	✓	Italy	✓	✓
Brazil	✓	✓	Netherlands	✓	✓
Canada (ex. Ontario)	✓	✓	Ontario	✓	✓
Denmark	✓	✓	Portugal	✓	✓
Germany	✓	✓	Spain	✓	✓
Great Britain	✓	✓	Sweden	✓	✓

KEY: ✓ Requirement in place (active); ✓ Requirement in place (awaiting enforcement);

✓ No requirement. *Correct as of February 2024.*

This approach adds an additional layer of protection both for operators' own businesses and also the licensing framework and its operational integrity capacity and associated reputation. It is increasingly being adopted around the world: Ontario represents one of the most recent and, in many respects, the most advanced model.

Nearly half of the jurisdictions in this study have adopted legislative provisions requiring licensed operators to be part of an international sports betting integrity monitoring body. Numerous newly regulated states across the US have similarly adopted this requirement. An international issue requires an international approach.

SPORTS BETTING INTEGRITY: Onshore licensed sports betting operators should be required to monitor and report suspicious betting to the relevant authorities and should also be part of an international monitoring network.

ANNEX A: JURISDICTIONAL ASSESSMENT

AUSTRALIA

Onshore Channelling (2024)	Onshore Gross Win (2024)	Offshore Gross Win (2024)	Estimated Lost Tax 2024-28e
75%	\$712m	\$237m	\$506m

Market Summary: Fragmented framework between states and federal government with a restriction on online in-play betting. Reasonable GGR tax, but sports fees significantly increase the fiscal burden resulting in low operator numbers and high offshore channelling. **Product Availability - Significant Restrictions:** Severely impacted by the lack of online in-play betting contributing to over 20% of the market being offshore, with \$500m in lost tax revenue over 2024-28e. **Other Regulatory Impacts:** High tax burden once sports product fees are added (up to 4% of turnover). Prohibition of online gaming onshore means a significant number of customers use offshore accounts, also impacting betting channelisation. Other restrictions under consideration.

AUSTRALIA ONSHORE & OFFSHORE SPORTS BETTING MARKET 2020-28e (\$m)

	2020	2021	2022	2023e	2024e	2025e	2026e	2027e	2028e
Onshore GGR	538.3	760.9	859.3	747.0	712.1	747.1	791.3	834.5	877.2
Offshore GGR	196.3	241.5	239.8	238.3	237.0	236.0	235.3	234.8	234.4
Total Online	734.5	1,002.5	1,099.1	985.2	949.1	983.1	1,026.6	1,069.4	1,111.6
Tax Rate*	43.0%	43.0%	43.0%	43.0%	43.0%	43.0%	43.0%	43.0%	43.0%
Tax Lost	84.4	103.9	103.1	102.5	101.9	101.5	101.2	101.0	100.8

*Tax analysis based on data provided by operators on merged product fees/taxes as a percentage of revenue in their Australian business.

BRAZIL

Onshore Channelling (2024)	Onshore Gross Win (2024)	Offshore Gross Win (2024)	Estimated Lost Tax 2024-28e
45%*	\$978m*	\$1,195m*	\$597m

Market Summary: After a long legislative process, the sports betting market finally liberalised at the end of 2023. Prior to that, only federal and provincial state lotteries were licensed. A number of state lotteries moved to develop a limited online sports betting offering during that time, however a large offshore online market persisted. **Product Availability – Minimal Restrictions:** At the time of writing, no significant product restrictions have been agreed. Current projections assume a liberal market opening. Any product restrictions will impact the size of the market and onshore channelisation. **Other Regulatory Impacts:** Federal sports betting of 12% GGR, plus a 15% tax on player winnings. Other taxes are applicable, meaning an effective tax rate of c25% of gross win. Costly five-year licences and limited possibility to offer bonuses also make Brazil a challenging market.

BRAZIL ONSHORE & OFFSHORE SPORTS BETTING MARKET 2020-28e (\$m)

	2020	2021	2022	2023e	2024e	2025e	2026e	2027e	2028e
Onshore GGR	-	-	-	-	978.1 *	2,275.0	2,462.6	2,659.9	2,864.9
Offshore GGR	842.1	1,352.9	1,670.1	1,963.6	1,195.4	145.2	157.2	169.8	182.9
Total Online	842.1	1,352.9	1,670.1	1,963.6	2,173.5	2,420.3	2,619.8	2,829.7	3,047.8
Tax Rate	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%
Tax Lost	271.6	436.3	538.6	633.2	385.5	46.8	50.7	54.8	59.0

* 2024 is a partial year for onshore as market is due to open mid-year

CANADA (EXCLUDING ONTARIO)

Onshore Channelling (2024)	Onshore Gross Win (2024)	Offshore Gross Win (2024)	Estimated Lost Tax 2024-28e
11%	\$45m	\$355m	\$395m

Market Summary: The Canadian market (excluding Ontario) only recently allowed single event wagering (since 2021) and there is a large established offshore market. **Product Availability - Significant Restrictions:** No legislative restrictions, but the product gap between onshore monopolies and offshore commercial operators has been significant and is a strong example of the impact of product on consumer demand and onshore channelisation. Offshore operators can largely advertise adding to a low onshore channelisation and lost tax revenues. **Other Regulatory Impacts:** Onshore channelisation is always limited in a monopoly operator situation. The same tax rate as Ontario has been employed to provide an example of potentially lost tax. However, as in Ontario, a regulated commercial market would also grow the overall market and therefore the true tax potential is greater than shown below.

CANADA (EX. ONTARIO) ONSHORE & OFFSHORE SPORTS BETTING MARKET 2020-28e (\$m)

	2020	2021	2022	2023e	2024e	2025e	2026e	2027e	2028e
Onshore GGR	17.3	25.7	34.7	40.5	45.4	50.6	55.7	61.1	66.8
Offshore GGR	210.5	285.0	328.1	337.0	355.0	375.8	395.4	414.6	434.4
Total Online	227.8	310.6	362.8	377.5	400.4	426.4	451.1	475.7	501.3
Tax Rate	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%
Tax Lost	42.1	57.0	65.6	67.4	71.0	75.2	79.1	82.9	86.9

DENMARK

Onshore Channelling (2024)	Onshore Gross Win (2024)	Offshore Gross Win (2024)	Estimated Lost Tax 2024-28e
90%	\$249m	\$29m	\$43m

Market Summary: Denmark has a wide product availability, but circa 10% of the sports betting market (\$30m per year) is going offshore due to other regulatory restrictions, which results in \$43m of lost tax revenue over the next five years. **Product Availability – Minimal Restrictions:** Denmark has a wide availability of product offering, with the only restriction being a ban on wagering on under 18 sports competitions, and virtual betting only permitted under monopoly supply. **Other Regulatory Impacts:** Channelisation has been negatively affected by the introduction of mandatory deposit limits, bonusing restrictions, and a 40% increase in the tax rate in 2021 (20% to 28% GGR).

DENMARK ONSHORE & OFFSHORE SPORTS BETTING MARKET 2020-28e (\$m)

	2020	2021	2022	2023e	2024e	2025e	2026e	2027e	2028e
Onshore GGR	222.4	255.3	233.9	242.8	249.1	252.2	259.6	262.7	269.7
Offshore GGR	25.2	26.7	30.2	28.6	28.7	30.4	30.5	32.4	32.6
Total Online	247.6	281.9	264.1	271.4	277.8	282.7	290.1	295.1	302.3
Tax Rate	20.0%	28.0%	28.0%	28.0%	28.0%	28.0%	28.0%	28.0%	28.0%
Tax Lost	7.1	7.5	8.5	8.0	8.0	8.5	8.5	9.1	9.1

GERMANY

Onshore Channelling (2024)	Onshore Gross Win (2024)	Offshore Gross Win (2024)	Estimated Lost Tax 2024-28e
60%	\$410m	\$275m	\$701m

Market Summary: Germany has the lowest onshore channelling rate of any commercially licensed market in this report due to significant product restrictions and high tax adversely hampering market size and channelisation. **Product Availability – Significant Restrictions:** Germany has limited in-play betting product and a limited permitted sports catalogue. Non-sports bets, betting exchanges, spread betting and virtual sports are all prohibited. **Other Regulatory Impacts:** A high tax rate that is turnover-based, deposit limits, and a limited onshore online casino offering. The turnover tax for sports betting equates to around 48% of gross win, based on an average 10.5% gross win margin. We estimate that \$701m of tax revenue will be lost to offshore operators over the next five years.

GERMANY ONSHORE & OFFSHORE SPORTS BETTING MARKET 2020-28e (\$m)

	2020	2021	2022	2023e	2024e	2025e	2026e	2027e	2028e
Onshore GGR	-	430.1	380.0	373.9	410.0	447.3	483.4	516.7	549.9
Offshore GGR	512.3	294.8	260.2	267.3	275.3	283.5	291.9	300.4	309.1
Total Online	512.3	725.0	640.3	641.3	685.3	730.8	775.3	817.1	859.0
Tax Rate T/O	5.03%	5.03%	5.03%	5.03%	5.03%	5.03%	5.03%	5.03%	5.03%
GGR Equivalent	48.0%	48.0%	48.0%	48.0%	48.0%	48.0%	48.0%	48.0%	48.0%
Tax Lost	245.9	141.5	124.9	128.3	132.2	136.1	140.1	144.2	148.4

GREAT BRITAIN

Onshore Channelling (2024)	Onshore Gross Win (2024)	Offshore Gross Win (2024)	Estimated Lost Tax 2024-28e
97%	\$2,130m	\$57m	\$46m

Market Summary: Great Britain has wide product availability and a correspondingly high channelling rate. However, certain non-product restrictions means there is still a noticeable offshore market.

Product Availability – Minimal Restrictions: There are no significant restrictions. The regulator has the power to impose restrictions if deemed necessary and the current law is under review. **Other**

Regulatory Impacts: There has been an increase in offshore market primarily due to other recent non-product restrictions, particularly affordability measures which can lead to intrusive checks. The current betting tax rate of 15% is also being reviewed. An estimated \$43m is expected to be lost in tax revenue over 2024-28e.

GREAT BRITAIN ONSHORE & OFFSHORE SPORTS BETTING MARKET 2020-28e (\$m)

	2020	2021	2022	2023e	2024e	2025e	2026e	2027e	2028e
Onshore GGR	1,992.4	2,091.2	1,779.5	2,147.8	2,129.5	2,205.8	2,312.3	2,414.9	2,510.8
Offshore GGR	35.5	34.6	39.7	50.3	57.4	62.4	62.1	61.6	60.9
Total Online	2,028.0	2,125.7	1,819.2	2,198.1	2,186.8	2,268.2	2,374.4	2,476.6	2,571.7
Tax Rate	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%
Tax Lost	5.3	5.2	6.0	7.5	8.6	9.4	9.3	9.2	9.1

ITALY

Onshore Channelling (2024)	Onshore Gross Win (2024)	Offshore Gross Win (2024)	Estimated Lost Tax 2024-28e
94%*	\$1,939m	\$130m	\$138m

Market Summary: Italy has a high onshore channelling rate and a wide product availability, albeit there is a 'catalogue' of permitted sporting events. Onshore channelisation has increased as the size of the catalogue has increased, although other factors may have also influenced this. **Product Availability –**

Minimal Restrictions: Good product availability with over 7,000 sports competitions permitted making it largely equivalent to having no restrictions. **Other Regulatory Impacts:** Italy has an onshore advertising ban; however, the strong land-based presence of bookmakers gives them a de-facto advertising presence

and the majority of land-based operators now dominate the online market. There is still a relatively low online penetration however, leading to a smaller online market size than may be expected.

ITALY ONSHORE & OFFSHORE SPORTS BETTING MARKET 2020-28e (\$m)

	2020	2021	2022	2023e	2024e	2025e	2026e	2027e	2028e
Onshore GGR	1,195.5	1,722.8	1,631.5	1,811.5	1,939.0	2,180.1	2,435.0	2,703.9	2,983.9
Offshore GGR	105.2	129.1	120.8	123.9	130.4	123.8	116.3	108.0	98.1
Total Online	1,300.6	1,851.9	1,752.4	1,935.3	2,069.4	2,303.9	2,551.3	2,811.9	3,082.1
Tax Rate	24.0%	24.0%	24.0%	24.0%	24.0%	24.0%	24.0%	24.0%	24.0%
Tax Lost	25.2	31.0	29.0	29.7	31.3	29.7	27.9	25.9	23.6

* There has been some speculation of illegal wagering through black market operators via intermediaries that could potentially impact the onshore channelling rate. This is not captured in H2's offshore market size; identifying and calculating any black market activity with any accuracy is by its very nature problematic.

NETHERLANDS

Onshore Channelling (2024)	Onshore Gross Win (2022)	Offshore Gross Win (2022)	Estimated Lost Tax 2024-28e
88%*	\$438m	\$59m	\$78m

Market Summary: A relatively newly regulated market (opened October 2021). Advertising ban, some product restrictions and a relatively high tax making channelisation onshore more challenging. **Product Availability – Impactful Restrictions:** Reasonably wide product availability, but there are restrictions on 'negative' events including cards in football, which account for 13% of football wagering GGR globally. Spread betting and betting on non-sporting events is also prohibited. **Other Regulatory Impacts:** An advertising ban from 2023 and a GGR tax rate increasing to 30.5% in January 2024.

NETHERLANDS ONSHORE & OFFSHORE SPORTS BETTING MARKET 2020-28e (\$m)

	2020	2021	2022	2023e	2024e	2025e	2026e	2027e	2028e
Onshore GGR	5.4	45.5	268.4	365.0	438.0	498.5	550.7	603.9	659.4
Offshore GGR	220.4	196.0	79.1	65.2	59.1	55.3	52.8	50.6	48.2
Total Online	225.8	241.5	347.5	430.2	497.1	553.8	603.5	654.5	707.6
Tax Rate	29.5%	29.5%	29.5%	29.5%	30.5%	30.5%	30.5%	30.5%	30.5%
Tax Lost	65.0	57.8	23.3	19.2	18.0	16.9	16.1	15.4	14.7

* We note that the regulator has released data showing that 92% of players use onshore operators only; however, this figure is not representative of onshore revenues. Given the higher spend with offshore operators, it is estimated that \$190m will be lost in tax revenue during 2024-28e.

ONTARIO

Onshore Channelling (2024)	Onshore Gross Win (2024)	Offshore Gross Win (2024)	Estimated Lost Tax 2024-28e
92%	\$506m	\$42m	\$33m

Market Summary: Wide product availability and reasonable GGR tax; newly regulated (since April 2022). Customers have been using offshore sites for many years, but onshore channelisation should increase significantly. **Product Availability – Minimal Restrictions:** No major restrictions, with only minor league sports in Canada not allowed. Horse race betting has been restricted to existing pari-mutuel operators, but a commercial deal is permitting those bets through online sports betting operators. **Other Regulatory Impacts:** There are some non-product restrictions such as a ban on promoting bonuses and some restrictions on advertising, but online activity onshore is expected to grow to over 95% by 2028.

ONTARIO ONSHORE & OFFSHORE SPORTS BETTING MARKET 2020-28e (\$m)

	2020	2021	2022	2023e	2024e	2025e	2026e	2027e	2028e
Onshore GGR	-	-	246.9	454.3	505.9	605.9	708.8	808.7	891.5
Offshore GGR	130.6	177.3	108.9	53.1	41.6	36.4	32.0	29.3	27.0
Total Online	130.6	177.3	355.9	507.4	547.6	642.3	740.8	838.0	918.4
Tax Rate	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%
Tax Lost	26.1	35.5	21.8	10.6	8.3	7.3	6.4	5.9	5.4

PORTUGAL

Onshore Channelling (2024)	Onshore Gross Win (2024)	Offshore Gross Win (2024)	Estimated Lost Tax 2024-28e
79%	\$486m	\$127m	\$267m

Market Summary: Portugal regulated in 2015 but has a relatively low onshore channelling rate, in part a result of a relatively high tax rate and product restrictions. **Product Availability – Impactful Restrictions:** A permitted sports catalogue has limitations on the football events offered and a ban on ITF and UTR tennis. Those two tennis competitions account for 20% of tennis turnover in other markets and almost half of all available tennis matches on which wagering is available. Only fixed odds sports betting is permitted. **Other Regulatory Impacts:** Relatively high turnover-based tax (8%) makes the return to player rate unattractive compared to offshore operators, combined with significant advertising restrictions for onshore operators. An estimated \$115m of gross win went to offshore operators in 2022 and is estimated to lead to \$267m in lost tax revenue 2024-28e.

PORTUGAL ONSHORE & OFFSHORE SPORTS BETTING MARKET 2020-28e (\$m)

	2020	2021	2022	2023e	2024e	2025e	2026e	2027e	2028e
Onshore GGR	178.7	278.3	328.3	408.8	486.4	554.2	611.1	659.0	701.2
Offshore GGR	98.8	110.9	115.3	122.1	127.3	131.2	134.1	136.5	138.4
Total Online	277.5	389.2	443.6	531.0	613.7	685.4	745.3	795.5	839.7
Tax Rate T/O	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%
GGR Equivalent	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%
Tax Lost	39.5	44.4	46.1	48.9	50.9	52.5	53.7	54.6	55.4

SPAIN

Onshore Channelling (2024)	Onshore Gross Win (2024)	Offshore Gross Win (2024)	Estimated Lost Tax 2024-28e
90%	\$597m	\$69m	\$60m

Market Summary: The online sports betting market is relatively small with channelisation impacted by a near total advertising ban for onshore operators. New responsible gambling provisions, including tracking deposits made by customers across multiple operators to prevent players from exceeding a designated deposit limit. **Product Availability – Minimal Restrictions:** Wide product availability, with no betting on under 18 sporting events. Fixed odds, Pari-mutuel and exchange betting is permitted. **Other Regulatory Impacts:** An advertising ban has been detrimental to online onshore channelisation. If Spain implements its proposed cross-operator deposit limits, this will reduce the onshore market and lead to a lower channelling rate and higher tax losses than in our current forecasts below.

SPAIN ONSHORE & OFFSHORE SPORTS BETTING MARKET 2020-28e (\$m)

	2020	2021	2022	2023e	2024e	2025e	2026e	2027e	2028e
Onshore GGR	441.2	372.0	419.5	577.8	597.0	612.1	626.9	642.8	659.8
Offshore GGR	87.2	81.9	78.4	73.2	68.5	63.6	59.1	55.1	51.5
Total Online	528.4	453.9	497.9	651.0	665.5	675.7	686.0	698.0	711.3
Tax Rate	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%
Tax Lost	17.4	16.4	15.7	14.6	13.7	12.7	11.8	11.0	10.3

SWEDEN

Onshore Channelling (2024)	Onshore Gross Win (2024)	Offshore Gross Win (2024)	Estimated Lost Tax 2024-28e
90%*	\$473m	\$50m	\$45m

Market Summary: The prohibition of betting on rule violations has had a negative impact on channelisation, as has restrictions implemented post-market opening in January 2019 and particularly during the COVID pandemic. **Product Availability – Impactful Restrictions:** A relatively wide product availability; however no betting is permitted on any sanction in a sport, including red/yellow cards, penalty kicks/shots, disqualifications or similar. Betting is prohibited on any under 18 participants. There is also no betting on most football friendly matches. **Other Regulatory Impacts:** Restrictions introduced during COVID, particularly on deposits and bonuses, have adversely impacted channelisation. An increase in the tax rate from 18% to 22% GGR is proposed in July 2024. The product restrictions have been a key driver in \$53m of sports betting GGR going offshore and \$45m of projected lost tax revenue 2024-28e.

SWEDEN ONSHORE & OFFSHORE SPORTS BETTING MARKET 2020-28e (\$m)

	2020	2021	2022	2023e	2024e	2025e	2026e	2027e	2028e
Onshore GGR	400.5	369.2	437.1	423.3	473.4	528.8	587.6	649.0	720.3
Offshore GGR	51.7	59.8	53.2	51.7	49.9	49.5	49.3	49.5	49.7
Total Online	452.2	429.0	490.3	474.9	523.3	578.2	636.9	698.5	770.1
Tax Rate	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%
Tax Lost	9.3	10.8	9.6	9.3	9.0	8.9	8.9	8.9	9.0

**We note recent survey data from Sweden showing that 84% of sports betting is done on legal sites, however a further 12% were unsure whether the site was legal – making the overall figure largely consistent with the H2 estimate for channelling*

ANNEX B: MARKET & ALERT CALCULATIONS

MARKET CALCULATIONS

Australia currently bans its licensed operators from offering online in-play betting. H2 believes that this is the primary reason for the low channelling rate in the market. Based on the split of in-play vs pre-match sports betting gross win globally, Australia's onshore online sports betting gross win of \$859m in 2022 implies that an unrestricted in-play product would add a further \$1.1bn of gross win per year – and tax revenue of over \$500m.

AUSTRALIA IN-PLAY WAGERING (\$m)

	2022	2024-28e
Onshore Gross Win	859	3,962
Global In-play Gross Win	58%	58%
Implied Total Gross Win	2,026	9,344
Incremental Gross Win	1,167	5,382
Tax rate	43%	43%
Tax lost	502	2,314

In reality, there would be substantial substitution from pre-match to in-play, so the resultant market size uplift and tax uplift would be much lower than this. However over a five-year period, assuming 35% cannibalisation of in-play betting on existing pre-match gross win would imply that the legalisation of in-play could lead to \$1bn of incremental tax revenues, and a significant reduction in the offshore market.

	2022	2024-28e
Land Gross Win	859	3,962
Cannibalisation of In-play	35%	35%
In-play Gross Win	800	3,700
Land Gross Win (post-cannibalisation)	579	2,667
Total Gross Win	1,379	6,367
In-play Percentage	58%	58%
Incremental Gross Win	520	2,405
Tax rate	43%	43%
Tax lost	224	1,034

AUSTRALIA: CANNABALISATION RANGE OF IN-PLAY SPORTS BETTING (2024-28e)

Cannibalisation of in-play	10%	20%	30%	35%	40%	50%	60%
Tax lost 2024-28e	1,858	1,479	1,174	1,034	826	645	482

GERMANY IN-PLAY WAGERING (\$m)

Germany does allow in-play product, but only on a limited number of markets. Operators that contributed to this report with a licensed German offering reported around 10% lower in-play turnover percentage in their German business compared to their global business. If in-play restrictions were removed, H2 does not believe that there would be any reason why the in-play percentage would be lower than the global average. To achieve the global average for these operators, in-play wagering would have to increase by 62% which would lead to an increase in total turnover of 36%.

	2022	Potential
In-play Turnover	2,291	3,700
Pre-match Turnover	1,614	1,614
Total Turnover	3,904	5,314
% In-play	59%	70%
Tax rate	5.03%	5.03%
Tax revenue	196	267

For the five-year period 2024-28e, this would generate \$416m of incremental tax revenue for German states. However, a 36% increase in wagering activity would still leave German gross win per adult materially lower than comparable markets – showing that in-play restrictions are not the only product headwinds in the market.

	2024e	2025e	2026e	2027e	2028e	2024-28e
Turnover	3,904	4,260	4,604	4,920	5,237	
Uplift	36%	36%	36%	36%	36%	
Uplift in Turnover	1,409	1,538	1,662	1,776	1,891	8,276
Tax Rate	5.03%	5.03%	5.03%	5.03%	5.03%	
Incremental Tax	71	77	84	89	95	416

Football, basketball and tennis account for 86% of total sports betting turnover/90% of gross win in the market. However, given the current catalogue/betting restrictions, there are periods in the summer when there is no football or basketball, and limited in-play tennis wagering. In-play is a particularly prominent product in tennis wagering, with almost 90% of all betting turnover on tennis wagered in-play globally.

SWEDEN AND THE NETHERLANDS

The Netherlands bans all cards and corners betting on all permitted football. The operator market data supplied for this study, along data from other markets, suggests that around 15% of the football market is being ignored by these side market restrictions – or that the football market would increase by approximately 18% with the addition of those markets.

Applying this uplift to the market in the Netherlands would lead to an extra \$118m of tax revenue over the next five years. However, this analysis is based purely on the spend of existing onshore customers. In reality, the increase in tax revenue could be much higher, as it would bring some offshore players back onshore, capturing all of their offshore spend, and not just their spend on side football markets.

SWEDEN AND NETHERLANDS SIDE FOOTBALL MARKETS (\$m)

2024-28e (\$m)	Netherlands
Gross Win	2,751
% Football	78%
Football Gross Win	2,153
Uplift to Football Gross Win	18%
Uplift to Football Gross Win	388
Tax Rate	30.5%
Incremental Tax (\$m)	118
Tax Rate	
Incremental Tax (\$m)	

PORTUGAL AND GERMANY

Portugal prohibits ITF tennis, which account for 45% of all matches globally on which wagering is offered by online sports betting operators. It is therefore no surprise that Portugal generates a significantly lower proportion of wagering turnover on tennis than neighbouring Spain (or Italy). If Portugal were able to increase the proportion of wagering on tennis to the level seen in other similar markets such as Spain and Italy, this would lead to an extra \$122m in tax revenue over the next five years.

Germany currently prohibits the vast majority of ITF tennis, as well as restricting the wagering markets on ATP Challenger tennis events, which combined account for 56% of all matches globally on which wagering is offered by online sports betting operators, and a third of all tennis turnover. If Germany were able to reach the same proportion of wagering on tennis as in the aforementioned countries, this would lead to over \$108m of extra tax revenue over the next five years.

PORTUGAL AND GERMANY TENNIS (\$m)

2024-28e	Portugal	Germany
Turnover 2024-28	15,174	22,926
Tennis Turnover %	9%	10%
Tennis Turnover	1,342	2,180
Tennis Turnover Comparable Markets	16%	16%
Implied Tennis Turnover	2,868	4,334
Uplift to Tennis Turnover	1,527	2,154
Tax Rate	8.00%	5.03%
Incremental Tax (\$m)	122	108

ALERT CALCULATIONS

The assessment and classification of sports betting markets targeted by corruptors is in line with the markets offered by IBIA members, albeit there are differences between operators. Individual lines are not calculated as separate markets e.g. over 3.4, over 4.5, but are adjudged as part of a single over/under market. Different time segments are adjudged as separate markets e.g. over/under (match) or over/under (half time) as two separate markets, unless otherwise stated as being grouped together in the three core markets e.g. result, handicap, goals. The tier of a football or basketball league relates to the division level: Tier 1 is the highest division in a jurisdiction. The assessment of customer locations and the markets targeted are not the total number of bets placed.

The figures show that a customer location or betting market is involved in suspicious betting, with regard to a particular alert, and as such gives an important indication of the targeted behaviour of corruptors. In football (soccer): 'result' includes the result at the end of the game or half; 'handicap' includes Asian and European/3way handicaps; 'goals' covers all goal markets, including correct score, over/under and so on. In basketball: 'money line' covers bets wagered on the result of the game or a period; 'spread' relates to the point spread (or handicap) advantage (+) or disadvantage (-) allocated to a team; 'totals' is the over/under total points in the game; a 'proposition (prop)' bet relates to game, team or player specific actions such as assists, rebounds, three-points, alternative totals, race to x points for a game or period.

THE AVAILABILITY OF SPORTS BETTING PRODUCTS: AN ECONOMIC AND INTEGRITY ANALYSIS.

PRODUCED BY



ON BEHALF OF

