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Sports betting is banned in Thailand. In South Korea the government holds an exclusive monopoly on sports betting and of course it's illegal in China. Religion plays a major part in many jurisdictions in Asia too meaning that sports betting will remain illegal. Gambling in Pakistan is forbidden. Gambling is against the law for all Malaysian citizens with stricter penalties likely in the future and blanket bans are in place in Nepal, Brunei, and Indonesia.

Matches postponed

Sports betting

Is there any room for growth in Asian sports betting markets or is it all mostly a government held monopoly? G3 takes a bird's-eye view at the laws in place for some of the jurisdictions, revealing just how limited and restricted Asian sports betting markets actually are.

In the Philippines, the Amusement and Gaming Corporation (PAGCOR) holds the monopoly on land based and online sports betting sports betting. In Taiwan, sports betting is illegal apart from via the Taiwan Sports Lottery.

Sports betting is banned in Thailand. In South Korea, the government holds an exclusive monopoly on sports betting and of course it's illegal in China. Meanwhile, in Macau Macao Slot Ltd. is the only company allowed to run sports betting under a licence from the Gaming Board.

Religion plays a major part in many jurisdictions in Asia too meaning that sports betting will remain illegal. Gambling in Pakistan is forbidden. Gambling is against the law for all Malaysian citizens with stricter penalties likely in the future and blanket bans are in place in Nepal, Brunei, and Indonesia.

While the overall picture might be less than bright right now, long-term the outlook could well change in a small number of jurisdictions. Indeed, a gradual expansion of sports betting seems almost inevitable due to the increasing popularity of US sports and the continued popularity of football, especially the Premier League. Indeed, the repeal of PASPA in the US and the opening up of the market will have an impact on the way sports betting is perceived in the region.

US Sports and Asia

The NBA has had a long term investment strategy in place in Asia for many years and today China is the NBA's largest market outside the United States. The NBA is now looking to focus its efforts on Southeast Asia and the broader Asia-Pacific region. In April, the NBA announced that it planned to open an office in Singapore. The Singapore office joined the league's Manila and Mumbai offices and will expand the league's existing efforts. Incredibly, the league has

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more than 35 million followers on social media across the region.

The official NBA sports betting partners are FanDuel, DraftKings, MGM Resorts, The Stars Group, Bally, and TheScore. While the NBA is not yet willing to allow its teams to sell jersey patch ads to betting companies the closer relationships with the NBA and betting companies, will inevitably spill over to an increasing presence of sports betting in Asian media overall.

The appeal of US sports in Asia is not just limited to basketball. Baseball is both one of the most

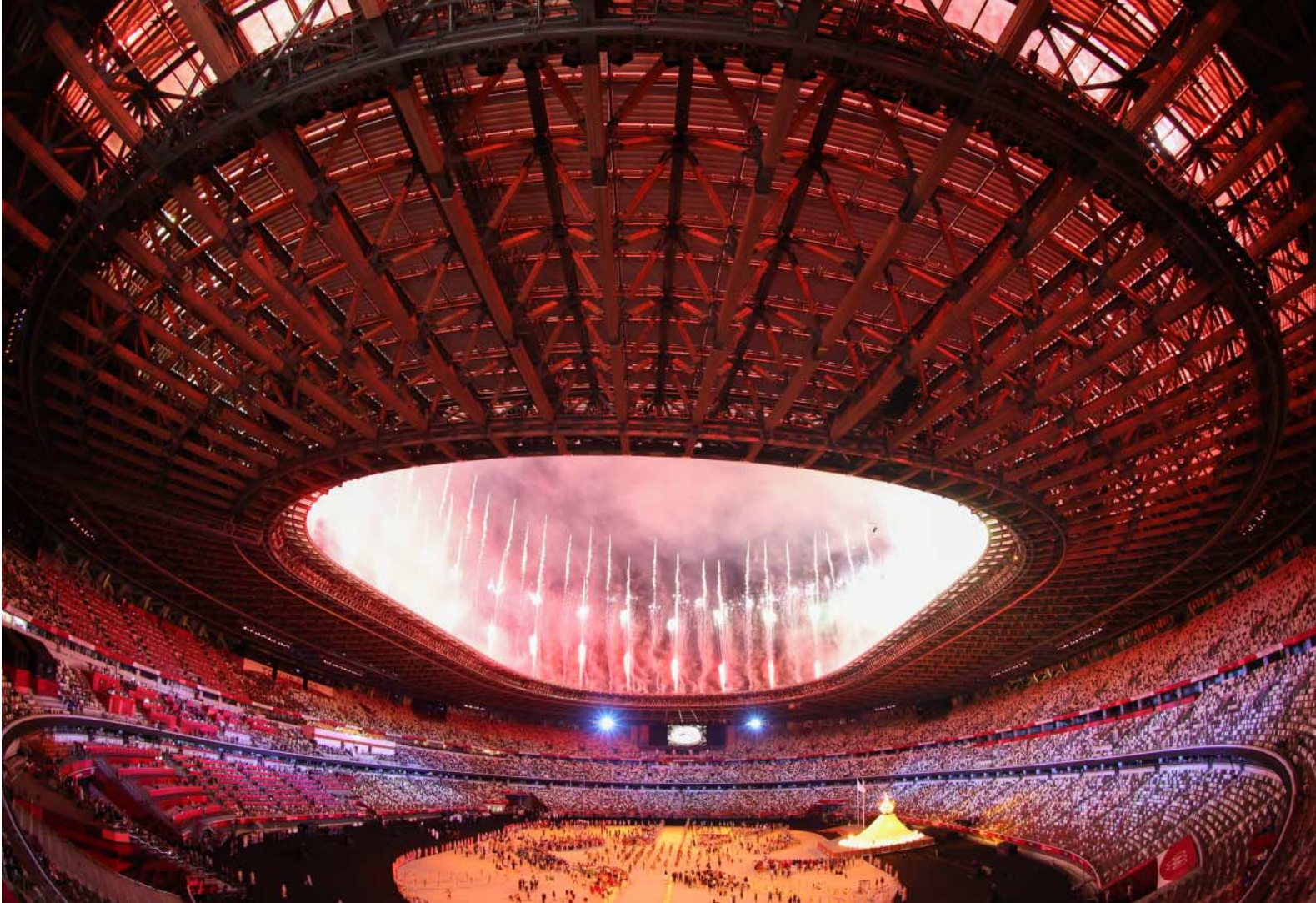
popular spectator sports in Japan as well as other large parts of East Asia. While the MLB is taking a more incremental approach to its relationship with sports betting, sports betting advertising will inevitably become more present during games over the coming years.

The Enduring Legacy of the Premier League

Asia also, of course, offers an enormous market for the Premier League. Asia alone is expected to account for \$1.4bn for the league between next season and 2025. According to the most recent

estimates, some 2.7 billion people around the world regularly tune in to watch English Premier League football – thirty eight per cent of those viewers are based in Asia.

Unsurprisingly clubs will go to great lengths to fortify their presence in the region. In the summer Manchester United visited Thailand while Tottenham Hotspur went to South Korea, which is the home country of their striker Son Heung-min. Heung-min has helped Tottenham Hotspur past Manchester United to become the most popular foreign club in South Korea. Manchester United's previous popularity was



also driven by a player, with midfielder Park Ji-sung's arrival at the club in 2005.

Global gambling brands dominate sponsorship deals in the English Premier League and in turn reach Asian markets. Almost half of the clubs in last season's Premier League were sponsored by gambling firms. Proposals to reform gambling laws have been postponed meaning that eight of England's top football clubs now have front-of-shirt gambling sponsors, while others have separate smaller deals in place.

In addition, despite the "whistle to whistle" TV ban voluntarily agreed by betting companies in 2019 sports betting advertising in Mandarin is still present via LED screens for Premier League games.

In June 2021, Asian facing sportsbook, OB Sports signed a deal as sleeve sponsors for Aston Villa. While betting companies are expected to disappear from teams' shirts within the next three years, perimeter advertising by gaming companies would continue to be allowed according to proposals put forward by the Premier league which wants to impose a voluntary ban on gambling jersey advertising in order to avoid a government enforced mandate.

INSIGHT ASIA MARKETS

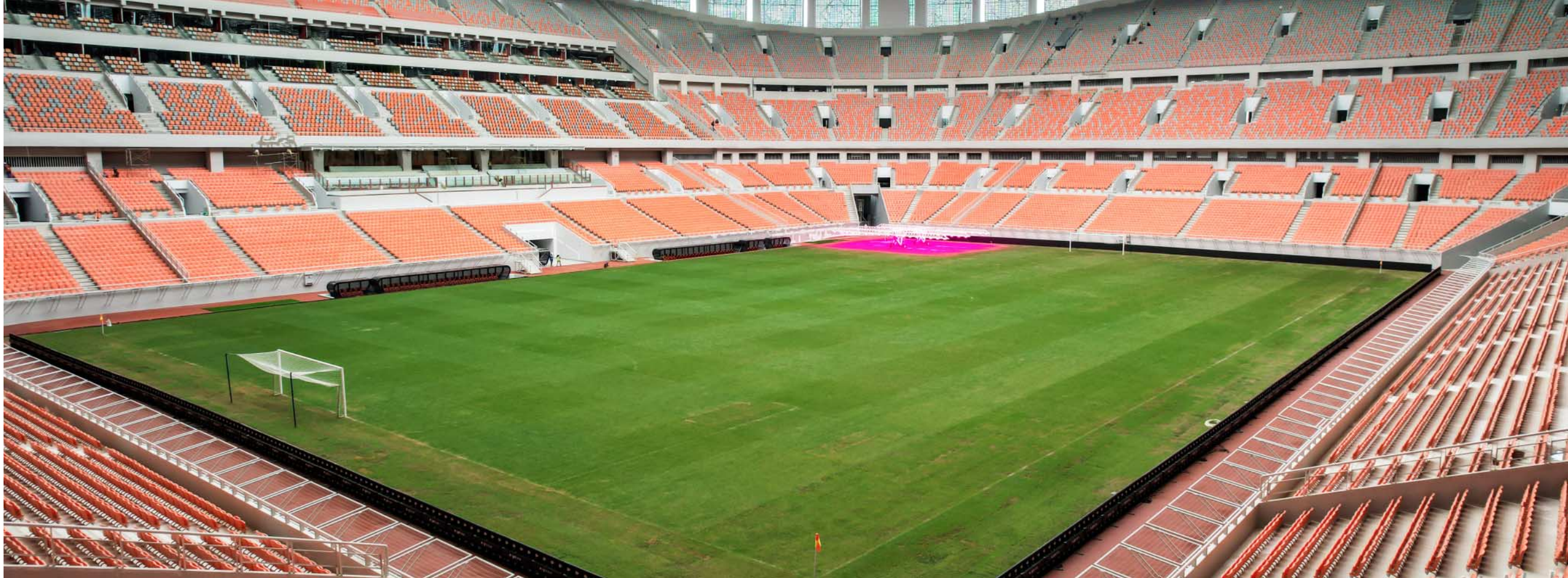
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Will match fixing scandals lead to change?

Match manipulation could begin to herald in change in some jurisdictions as well. In India, despite sports betting being illegal, the estimated size of the betting black market is estimated at a staggering \$130bn. The only state where sports betting can be offered legally is Sikkim where licences have been issued to private operators to offer sports bets. This permits casino games and sports betting online. However, in 2015 the government restricted this offering to physical premises, 'gaming parlours', and via intranet gaming terminals within the state. In the state of Nagaland, bets on virtual sports and team selection sports can be offered under a licence.

Despite these restrictions it is estimated that there are more than 1,50,000 bookmakers in India, all of which come under the umbrella of three head bookmakers who set the odds. No licensed betting shops mean that bookmakers operate in secret.

It is hardly surprising that cricket is a prime target for those wishing to manipulate the results of games. Cricket has been rocked by a number of match fixing scandals



and The Board of Control for Cricket in India (BCCI) has wavered between calling for the legalisation of betting to tackle corruption or doubling down on the ban. The organisation's new head of the Anti-Corruption Unit Shabir Hussein Shekhadam Khandwawala said recently: "Whether the government legalises betting or not is a different matter but deep inside, I feel as a police officer that betting can lead to match-fixing. The government, so far, has rightly not legalised betting."

Either way, the problem seems to be getting steadily worse and the prohibition of betting in India is widely seen to have been ineffective. Perversely, match-fixing is not a criminal offence while gambling is.

Just a quick look at some of the latest headlines provide a snapshot of just how bad things are getting and this could well be just the tip of the iceberg. In August, police were reportedly on high alert ahead of the Sunday Twenty20 match between India and Pakistan in the Asia Cup for fears of match fixing.

More sensationally, Zimbabwe captain Brendan Taylor admitted on social media in that he was forced to agree to a match fixing scheme while in India in 2019. In a lurid tale posted on twitter in January, Taylor said he was filmed using cocaine during a party with

With a population of almost 1.4 billion India offers massive potential and regulation would bring gambling out of the shadows making it harder for criminal groups to turn a profit. For years the courts and committees in parliament have been looking at ways to eliminate match fixing and have come to the same conclusion: regulation would reduce money laundering and organised crime while the legalisation is the best bet as long as it put in place strong measures to regulate the industry.

Indian businessman and his associates. The men then forced him into agreeing to take part in a match-fixing scam, warning that they would release a video of him taking drugs if he refused. Taylor said that he agreed but never actually got involved in match-fixing. All the same it took him four months to report the incident to the ICC anti-corruption unit.

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For now though no major change seems likely as gambling is considered a taboo and there is a lack of political will to address the issue head on. Instead, India will probably deal with corruption in the sport by introducing criminal sanctions on match fixers following in the footsteps of Sri Lanka which in 2019 became the first major cricket-playing country in South Asia to make match fixing a crime.



Viet Nam Could Lead the Way

In Viet Nam we are seeing a hesitant expanse of the industry as lawmakers see the potential of regulation on the back of the growing popularity of football, but progress is limited. In 2017, the government announced that it would allow locals to enter a selected number of casinos paving the way for more investment. Vietnam's Ministry of Finance is now putting forward an extension of the scheme allowing Vietnamese locals to play at two designated casinos until 2024.

In a similar way sports betting, in theory at least, is being opened up to local players. In June 2018, the government passed Decree 06/2017/ND-CP allowing local players to bet on football matches but only on those leagues and football events that were on a list approved by the sports authority. This was limited to bet on overseas tournaments officially sanctioned by FIFA.

The bill ruled that the expansion of land based sports betting was also limited and just one operator would be granted a licence to operate a single license for five years as part of a pilot program. Foreign investors would be allowed to take part in return for a huge US\$43.5 million fee. The pilot programme has yet to be launched. Meanwhile offshore betting has exploded with illegal football betting estimating to

account for US\$10bn in annual turnover in 2021.

In September 2021 the Ministry of Finance announced that was in the process of looking at amending Decree 06/2017, expanding the betting option to 27 leagues and tournaments including Europe's major leagues, such as the Champions League and Europa League, Asian Football Confederation (AFC) Cup as well as the Copa América - the South American Football Championship. The Ministry of Finance also made specific proposals regarding the new bidding process to select a new sports betting operator.

Japan Remains Opposed

Reported moves for the liberalisation of the market were quickly dismissed in Japan. Casinos are yet to be built and gambling in general is prohibited and under the Penal Code of Japan.

The only exceptions are the four public sports - horse racing, bicycle racing, powerboat racing and motorcycle racing - run by local governments or government corporations and the public lottery and the Japanese Football Pools.

According to local press reports Japan's Ministry of Economy, Trade and Industry had been drawing up plans to allow betting on sports such as football, basketball and baseball. However, the Japanese

government has denied these reports.

Illegal Sports Betting a Growing and Dangerous Business in Turkey

In Turkey, the largest state-sponsored sports betting market IDDAA is run by Sans Digital, an affiliate of Demirören Holding, one of Turkey's largest companies. Illegal betting is now a crime in Turkey after new regulations were passed by Grand National Assembly of Turkey in 2020. In 2019, over 17,000 people, who were found to have made illegal bets and were fined while the government has blocked access to thousands of offshore betting sites. Despite these efforts illegal sports betting remains a huge headache for law enforcement agencies that fear that illegal sports betting could be being used to launder money and finance terrorism.

According to Europol and Turkey's Financial Crimes Investigation Board (MASAK) 18 million people in Turkey make illegal bets amounting to over 70bn liras per year. Illegal gambling not only takes the form of betting online abroad but also via thousands of bookmakers in shops and small businesses, such as grocers and shops.

Outlook

While the repeal of PASPA in the US and the continued popularity of football in Asia will change

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perceptions this provides nothing concrete in terms of immediate change. Match manipulation could herald in developments over time but major shifts in government policy look unlikely. While governments cling to their monopoly and try and enforce blanket bans they will continue to lose out on tax revenue while players will inevitably continue to play via illegal street bookmakers or online. Unfortunately, despite the growing appetite for sports betting, Asia will continue to remain off limits.