



WEEK 47

FRIDAY 24 NOV 2023

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IN THIS WEEK'S ISSUE:
BIG WEEKS FOR BET365 AND ESPN BET



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WEEK 47
FRIDAY 24 NOV 2023



BET365
CONTINUES US
EXPANSION




ESPN BET:
SO FAR,
SO GOOD



The Story
of Pure Success





Louisiana was announced as the seventh state to launch bet365 this week. However, this is not the only big bet365 news to come out of this week.

Industry giant bet365 announced its launch into Louisiana this week. Despite only being the seventh state that bet365 has launched in, the operator's international history no doubt makes the brand a notable presence versus other established US sportsbooks.

However, this was not the only news from bet365 this week, with the company making deals with sports teams and institutions in the US to really drive home its expansion. In the US, bet365 means business, with strategic efforts of note in multiple examples from this week alone.

US EXPANSION IN LOUISIANA

Colorado was the first state to embrace bet365 back in May 2020, with other states following suit in the years to come. Now, Louisiana joins Kentucky, New Jersey, Ohio, Virginia and Iowa. A bet365 spokesperson said: "Celebrated for its passionate culture and festive spirit, we are thrilled to bring bet365 to Louisiana."

Louisiana brought in over \$160m in combined land-based and riverboat casino adjusted gross revenue (AGR) in September. Video poker and sports betting were not included in this figure, suggesting that the gambling sector in the state is even more expansive.

The operator is bringing in new players in the state with a 'Bet \$1 Get \$365 in Bonus Bets' promotional deal. Players will be able to access bet365 features such as bet boosts, super boosts and early payouts major sporting leagues, such as the NFL and NBA.

There will also be access where applicable to bet365's catalog of 78,000 live streamed events, which can be accessed both online and via the bet365 app.

THE CHARLOTTE HORNETS

Speaking of the NBA, the Charlotte Hornets are an NBA-certified basketball team from North Carolina. This week the team's owners, Hornets Sports & Entertainment (HSE), revealed that bet365 would be the team's official partner. The deal has been revealed to be long-term and exclusive and will include bet365 signage being placed around the team's indoor arena, the Spectrum Center.

According to quotes from Hornets Sports & Entertainment CRO Jacob Gallagher, ever since sports wagering was legalised at Spectrum Center, the company has sought a partner that could provide for their fans. "We are confident that bet365 is a great fit with our organization and can help us do that," Gallagher said.

The Hornets are not the only American team bet365 sponsors, also sponsoring the MBL's Cleveland Guardians.

Sports team sponsorship in major leagues provides airtime and continuous promotion, with logos being unavoidable when emblazoned on team uniforms or the displays of the grounds. To get your name seen by the average sports bettor, getting a logo on the pitch is a sure-fire method of being seen.

Whether the deal will pay off as part of bet365's North American growth plan is yet to be seen.

US DARTS MASTERS

If partnering with an NBA sports team wasn't enough, this week it was also announced that it entered a sponsorship agreement with the US Darts Masters, to sponsor the World Series of Darts in New York.

The event, with sponsorship in place, will be titled the bet365 US Darts Masters. It will feature eight players from the PDC against eight from North America. The sponsorship will also carry over to the North American Championship, which features players from the US and Canada.

The sponsorship will last two years, said a bet365 spokesperson, who continued by stating that: "The bet365 US Darts Masters has become an unmissable event for darts fans in the USA, and we can't wait to return to the iconic Theatre at Madison Square Garden next year."

GI VERDICT


Overall, bet365 is working to firmly establish itself in the US and is covering all its bases to do so. Already in Europe, bet365 is highly successful and highly connected with other industry players – just last week bet365 was able to deliver Pragmatic Play's catalog to players in Spain and Sweden for example.


This is what gives bet365 its competitive edge against other online gaming platforms in America like FanDuel and DraftKings. The world of online sports betting exists outside of America and bet365 knows it. It has more than 90 million users across 160 countries and 22 languages around the world, but now intends to add a piece of the US market to its portfolio too.


Co-Founder of BestOdds Will Armitage, in his Huddle video interview with Gambling Insider earlier this month, summarised the situation. "They're innovative but they're not complacent," he said. "They've been in this longer than any of the DraftKings or the FanDuels in this world. I think they understand ... they don't take anything for granted. This is a long-term strategy."


TAKING STOCK

TAKING STOCK SHARE PRICES COVER
THURSDAY 16 NOV TO THURSDAY
23 NOV (12:00 GMT)


Entain
865.40 GBp  1.9%


Bragg Gaming
5.65 USD  21.5%


Golden Matrix
2.65 USD  17.3%

Gaming Corps
1.43 SEK  28.3%

Elys Game Technology
0.15 USD  11.5%

Catena Media
12.46 SEK  18.6%

Jackpot Digital
0.06 USD  5.2%

NeoGames
27.54 USD  1.6%

ESPN BET: SO FAR, SO GOOD

It has been just over a week since ESPN Bet finally went live across 17 US states. The much-anticipated launch was in the works since an official announcement by parent companies ESPN and Penn Entertainment on 8 August.

Back then, it was revealed that Penn had sold Barstool Sports back to owner Dave Portnoy (for just \$1) – effectively abandoning its Barstool venture and instead signing a \$1.5bn deal with ESPN. And, judging by early app downloads (of which there were 672,000 within less than 72 hours), it looks like a case of ‘so far, so good’ for the ambitious new project.

But ‘ambitious’ is the key word here. A collaboration as expensive as this one is not here to make up the numbers. As such, a key question *Gambling Insider* had this week was: where next for ESPN Bet if it is to meet expectations?

On hand to discuss this particular topic with us was Sports Betting Dime’s Robert Linnehan, who believes the state of New York holds the key if ESPN Bet holds any hope of becoming a top-three sports betting brand.

NEW YORK, NEW YORK

“To be one of the top players, you have to be in the top markets,” Linnehan told *Gambling Insider*. “New York’s the top market in the state. How do they get into New York? Well, there are rumours it could open up this year to additional operators.

“With additional operators, there’s always been a plan to potentially lower the tax rate. But I’m not sure if they’re going to do that – that’s always been speculation.

“When they expand the licences, I think the easier and quicker way would be some type of acquisition.”

A WYNNING BET

So who could ESPN Bet target? Here, Linnehan has two potential acquisitions in mind – both purely based on opinion and speculation, but that offer very intriguing possibilities. The first is WynnBet.

Linnehan proffered: “Wynn Bet has ceased mobile sports betting operations in a lot of states after their announcement over the summer. They are basically evaluating what to do next in New York; you could see an opportunity for Penn and ESPN to maybe acquire that licence moving forward.”

IN NO RUSH

With FanDuel and DraftKings clear frontrunners in New York, and the likes of BetMGM and Caesars backed by huge organisations, Linnehan offered one further alternative to WynnBet.

“Rush Street Interactive – their CEO has always said they’re open to potential mergers and they’re always open to being acquired for the right price. They have one of the licences.

“They’re not one of the top five operators in New York. But you already saw Fanatics get into the state with the acquisition of PointsBet and their North American assets. So you could potentially see that option, with Rush, Penn and ESPN Bet.”

Indeed, the excitement around ESPN Bet is palpable and the sky the limit given the resources at its disposal. But the size of its task ahead is notable given that, even after a \$1.5bn deal, we are still discussing the prospect of further Penn investment.

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MOVERS &

SHAKERS



JUAN CARLOS DIAZ DELLEPIANE
Commercial Director
iGaming Platform

Dellepiane brings to this role a wealth of experience in the iGaming and entertainment sectors, both in B2B and B2C realms.



BETTY ZHAO
SVP of International
Aruze Gaming Global

Previously, **Zhao** was the COO at LT Game since 2007, where she was tasked with strategic visioning and operational efforts to promote LT Game's growth as a gaming supplier in Macau.



MARK MACARRO
President
National Congress of American Indians

Macarro has served as the Pechanga Band of Luiseño Indians Chairman since 1992 and sits on the Indian Gaming Association's Board of Directors as a Pacific delegate. He has now been elected President.



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JOLLY SANTA CLAUS AND HIS
MISCHIEVOUS ELVES!



COMING 1 DECEMBER



THE

DEALMAKERS

COMPANY	NEW PARTNER	VERTICAL
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Digitain	LeBull.pt	Sports betting
Statscore	Polish Football Association	Sports betting (extension)
Aviatrix	NGX	iGaming
Intelitics	Novig	Sports betting
IGT PlayDigital	Caesars Entertainment	iGaming
Galaxsys	Synot Interactive	iGaming
Booming Games	RoyalCasino	iGaming
Gaming Corps	Betway	iGaming
FanDuel	NBA	Sports betting



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THE WEEK IN QUOTES

“My request to Republicans is simple: stop playing politics with the Native Nations in this state and release these funds that are essential for Tribes to provide governmental services to their citizens and communities.”

Governor Tony Evers on Republican lawmakers withholding gaming funds from two local tribes in Wisconsin

“While we are disappointed in London’s decision, there are many forward-thinking cities that are eager to bring this technology to their communities. We will concentrate on those.”

A spokesperson for Sphere Entertainment on London Mayor Sadiq Khan rejecting plans for a Las Vegas-style Sphere in London

SPORTS BETTING ROUND-UP: JOINT CAMPAIGNS, SUSPENSIONS & PARTNERSHIPS

This week in the sports betting world, there has been a joint initiative promoting responsible gambling, suspensions of dart players, Pragmatic Play debuted its sportsbook and Global Tote agreed an extension to a deal

First off, the **National Basketball Association (NBA)**, **National Hockey League (NHL)** and **Major League Baseball (MLB)** have announced a joint campaign to encourage responsible betting in sports. The initiative, called “Never Know What’s Next” is being launched alongside a 30-second spot with the support of DraftKings, Fanatics, FanDuel, Penn Entertainment and the National Council of Problem Gambling to highlight the unpredictability of sport.

Elsewhere, darts players Jack Main, Prakash Jiwa and Andy Jenkins have been suspended by the **Darts Regulation Authority (DRA)** over alleged suspicious betting activity during the Modus Super Series matches. The DRA announced the suspensions, explaining how an

investigation will follow to probe the betting concerns raised.

Meanwhile, supplier **Pragmatic Play** has launched a new sportsbook in Spain through a deal with Dazn Bet. Pragmatic Play launched in Spain earlier this month through a collaboration with bet365 but is now branching out with other platforms in the region. The sportsbook has been integrated into the **Dazn Bet** platform via Pragmatic Play’s Player Account Management (PAM) Platform.

Finally, **BetMakers Technology Group’s Global Tote** division has solidified its presence in the New Jersey racing scene by extending its contract with Meadowlands Racing. This new 10-year agreement means Global Tote will continue to deliver its pari-mutuel wagering technologies and services to the Meadowlands; with an added element of this extended partnership being the introduction of Global Tote’s latest innovation, the BetLine Series wagering terminals.



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CHALLENGE
INTO PROGRESS

OCTOBER IN MISSISSIPPI, MICHIGAN & NEW JERSEY

“Streaming has been great for the music industry’s bottom line, but it serves passive listeners, not diehard fans. Our goal is to bring joy, pride and competition back to collecting music, and create upside for both fans and artists in the process.”

CEO and Co-Founder of Vault Music, Nigel Eccles, on Vault Music’s new game Fantasy Record Label

Sports betting and iGaming have taken off in the US this year with record figures in several states. Here we look at two states where iGaming and online sports betting are both legal – Michigan and New Jersey – vs Mississippi where only retail sports betting is legal

Michigan’s online sports betting handle reached \$533m in October, the first time it surpassed the \$500m mark. This shows promising growth in a state where sports betting has had some time to settle in since 2021. In **New Jersey**, however, online handle reached \$1.2bn. Mississippi requires sports bettors to wager from on casino premises, which means its handle is a much lower \$49.5m. By comparison, retail sports betting handle in the more populace New Jersey was still higher at \$56.3m.

Sports betting revenue reached \$7.3m in **Mississippi**, \$45m in Michigan and \$92.3m in New Jersey. While Mississippi experienced a 4.5% decrease year on year and Michigan

saw an annual decrease of 8.5%, New Jersey’s most significant revenue increase came from sports betting, which was up 18%.

This NFL season bolstered many sports betting states’ financial results in September and October. Though no team boasts the Garden State’s name, the New York Giants and New York Jets both actually play their home games from New Jersey. As well as requiring bettors to be present at retail wagering locations, Mississippi has no NFL teams. Michigan must rely on the Detroit Lions, which have held an 8-2 record in the first 10 games. The Giants, however, have recently guaranteed their first non-losing season since 2016.

iGaming, though not legal in Mississippi, also played a large part in generating revenue for both Michigan and New Jersey. Michigan’s total reached \$160.3m, up from \$141m in 2022, while New Jersey’s total reached a much closer figure of \$166.8m, up from \$147.2m the prior year.

“With all the brilliant sport at Christmas, we wanted to add some extra excitement for our customers! Our team came up with the idea of our biggest-ever giveaway, which then prompted our first-ever Christmas advert. Fingers crossed it will snow, and we’ll be paying out £5m (\$6.28m) pounds split between five lucky customers.”

Betfred’s Chief Executive, Joanne Whittaker, on Betfred’s Christmas draw



OUR GAME CONTENT
YOUR PLAYGROUND

LEVEL UP

THE WEEK IN NUMBERS



\$533m

Recorded for Michigan's online sports betting handle in October

2 of 3

Detroit Casinos' workers agree to new contract



75%

Against outright gambling ban in Ireland

ROUND-UP: ALL SYSTEMS GO IN SCANDINAVIA

The gambling market has been busy over in Scandinavia this week, with reports coming in from Denmark and Sweden about their latest licences and industry developments.

The Swedish American Chambers of Commerce (SACC) and **Internet Vikings** teamed up in a collaboration to build Swedish gaming's presence in the US market. Internet Vikings is Swedish-based yet is currently hosted in 23 US states, including Arizona and New York among others. It has over 20 years of experience hosting in the US, making the collaboration a notable one if Sweden intends to continue growing businesses in the US.

There were two stories from Denmark this week, with the first being **Booming Games'** entrance into the country's market. Completed through a collaboration with RoyalCasino.dk, the partnership will give Danish players access to Booming Games' portfolio of online games, which includes TNT Bonanza and The Wild Wings of Phoenix

among others. Booming Games intends to use this foothold in the Danish industry as part of its growth into other regulated European markets, having collaborated with an operator in the Netherlands in October.

The second was Wednesday's announcement that software and service provider **CreedRoomz** had received its live casino operations licence in Denmark. The company offers live casino games including Richie Roulette, Dragon Tiger and Russian Poker, with a diverse range of games catering to a diverse range of player preferences.

The Danish market is one that has been accessed by several operators and suppliers this year who have received a license to operate in the country. BetConstruct received a licence from the Danish Gambling Authority back in March and Betsson launched its flagship brand in late August, with CreedRoomz now also able to offer its products in the region.

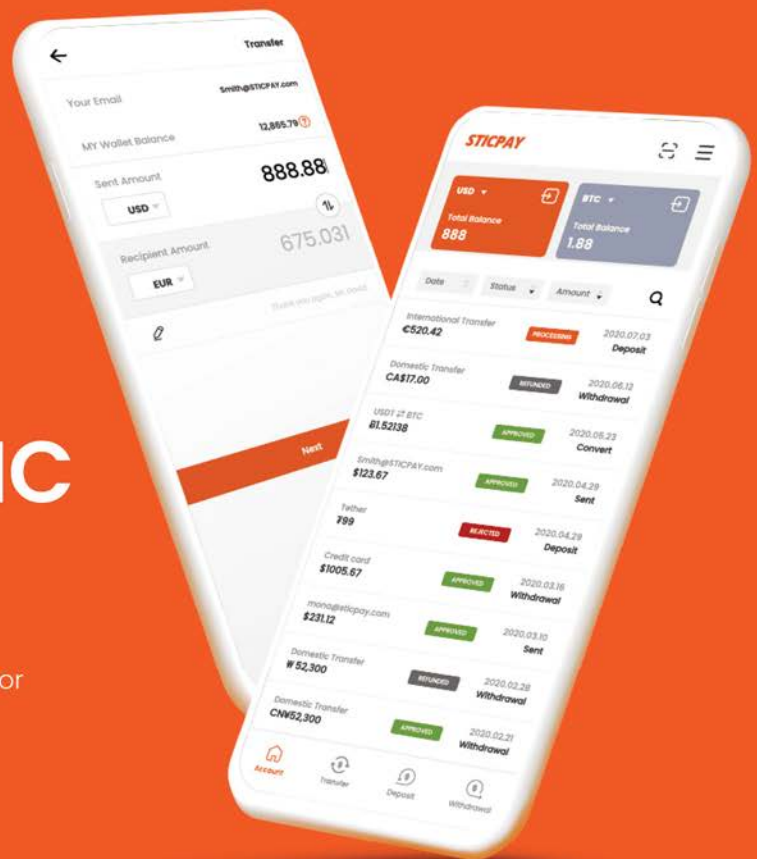
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**23**

US states where Internet Vikings has secured hosting licences

50

Million social media impressions generated by Safer Gambling Week

**180**

Jobs to be cut from the Crown Sydney Casino

GI THE FRIDAY DEBRIEF

When *Gambling Insider* reached out to Entain for comment – after another group of investors declared its displeasure with the operator’s performance – Entain said it remains “confident” it can deliver on its “significant growth opportunities.”

But, after Sachem Head Capital Management and Dendur Capital joined Eminence Capital in criticising the organisation’s performance, it was telling that Entain’s opening words were that it is “committed to constructively addressing any questions or concerns.”

Given the level of criticism aimed at Entain from its shareholders this year, and the fact it is coming from so many different directions, this situation has to be best-described as unprecedented in recent times.

Over the last few years, *Gambling Insider* can only really recall Playtech receiving this level of activist investor interest within gaming. Even then, that mainly came from

one general direction (Jason Ader and co). But the fact displeasure seems to be mounting means Entain can’t simply dismiss these latest concerns. There is reportedly a lack of confidence in CEO Jette Nygaard-Andersen’s ability to lead the company.

Meanwhile, Entain started the year with a share price of £13.50 (\$16.88), peaking at around £15.66 in February. Now, it sits at £8.73 – not far off half the value of its 2023 peak.

Entain’s Q3 results did not necessarily inspire, especially when compared to the likes of Flutter and DraftKings, while its acquisition of STS earlier this year was the catalyst for Eminence Capital’s heavy response.

Importantly, the positions taken by activist investors this week have had a much clearer effect on Entain’s share price than when the company’s own board members purchased stock a few weeks ago.

So it is looking more like a case of concession and compromise for Entain as, right now, it is in no position to vehemently fight back. Nygaard-Andersen and co need a new playbook to change that.



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PENNSYLVANIA OCTOBER OPERATOR REVENUE

Operators in Pennsylvania have shown an overall revenue rise for October 2023. Of the 24 operators listed in this week's Fantini report, not one reported a negative year-on-year revenue percentage change.

Some operators did better than others, it must be admitted. Wind Creek Bethlehem, South Philly Turf Club (Greenwood) and Rivers (Rush Street) all experienced a year-on-year increase of less than 1%, with South Philly Turf Club being the operator with the smallest reported October growth.

Meanwhile, Caesars Interactive was up 136% - more than double the year-on-year growth of any other Pennsylvania operator. Even the operator with the second-highest growth, The Meadows (PENN) with a 67% growth rate, could not compete.

ALL SOURCES REVENUE	REVENUE (M)	CHANGE (%) YEAR-ON-YEAR
Caesars Interactive	\$8.00	+136
The Meadows (PENN)	\$43.40	+67
Mohegan Lehigh Valley	\$0.20	+24
Valley Forge (BYD)	\$75.40	+12
Lady Luck Nemaacolin (CHDN)	\$2.00	+12
Hollywood (PENN)	\$77.20	+11
Live! Philadelphia (Cordish)	\$25.50	+11
Live! Pittsburgh (Cordish)	\$9.30	+3
Wind Creek Bethlehem	\$43.90	+0.2
South Philly Turf Club (Greenwood)	\$0.20	+0.2
Rivers (Rush St)	\$32.10	+0.9



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{ MULTIPLE TEMPLATES }

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{ EXTENSIVE REPORTING }



Play Outside the Box

Despite Pennsylvania growth, Caesars has not seen this reflected in overall state operations. In Q3 2023, net revenue was up only 3.4% from the same quarter last year.

Golden Nugget launched in the Keystone State in August, and in only its second full month of operations earned a state revenue of \$3m. Not a bad start.

Revenue between these operators showed a total year-on-year growth of 7%. The state continued to generate a total revenue similar to that of neighbouring New Jersey, making it still all to play for on which will come out on top.

Mohegan Sun	\$19.50	+2
Rivers Philadelphia (Rush St)	\$48.10	+2
Hollywood York (PENN)	\$8.70	+2
Parx (Greenwood)	\$53.70	+2
Slot Routes	\$3.40	+4
Fantasy Sports	\$2.70	+4
Hollywood Morgantown (PENN)	\$9.40	+4
Mount Airy	\$18.80	+11
Presque Isle (CHDN)	\$8.30	+16
Harrah's Philadelphia (CZR)	\$11.30	+21
Parx Shippensburg (Greenwood)	\$2.60	N/A
Bally's Interactive	\$1.80	N/A
Golden Nugget	\$3.00	N/A

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MASTERING THE GAME OF SKILL: THE DYNAMIC GROWTH OF FANTASY SPORTS IN AMERICA

In the US, the landscape of sports entertainment has seen a remarkable shift with the rise of fantasy sports. Defined often as a game of skill, fantasy sports have bypassed many of the stringent legalities associated with gambling, allowing a wave of enthusiasts to flock to the platforms that offer more than just the luck of the draw. The statistics speak volumes about this burgeoning sector: from 42 million players in 2015, the number has steadily risen to 50.4 million by 2022, signaling a robust and expanding market.

Fantasy sports' classification as a game of skill is more than just a legal technicality; it has significant implications for players and businesses alike. In many jurisdictions, fantasy sports escape the rigorous prohibitions that shadow traditional gambling. This distinction is pivotal in understanding the surge in user uptake. The ease and affordability of obtaining licenses for fantasy sports platforms have catalysed the industry's growth. Companies can operate with less regulatory burden and can innovate freely, leading to a creative explosion in the types of games and features offered. At the heart of this expansion is the allure of strategy over chance. Players are drawn to the opportunity to use their knowledge

of sports, their analytical skills, and the wealth of available statistical data to gain a competitive edge. This shift from luck to skill invites a wider demographic, one that might have been previously disinterested or wary of the uncertainties associated with gambling.

The innovative nature of fantasy sports has led to the creation of games that cater to diverse interests and levels of engagement. Platforms like PrizePicks and Underdog Fantasy have emerged as leaders in the space, offering user-friendly interfaces, real-time data, and a variety of play options that appeal to both the casual fan and the seasoned strategist. These platforms have turned the solitary act of predicting sports outcomes into a communal experience, where social bragging rights are just as important as monetary gains.

The social element of fantasy sports cannot be understated. In an age where social media dominates, the ability to share wins and strategies, to compete with friends, and to join larger community pools has turned fantasy sports into a socially vibrant sphere.

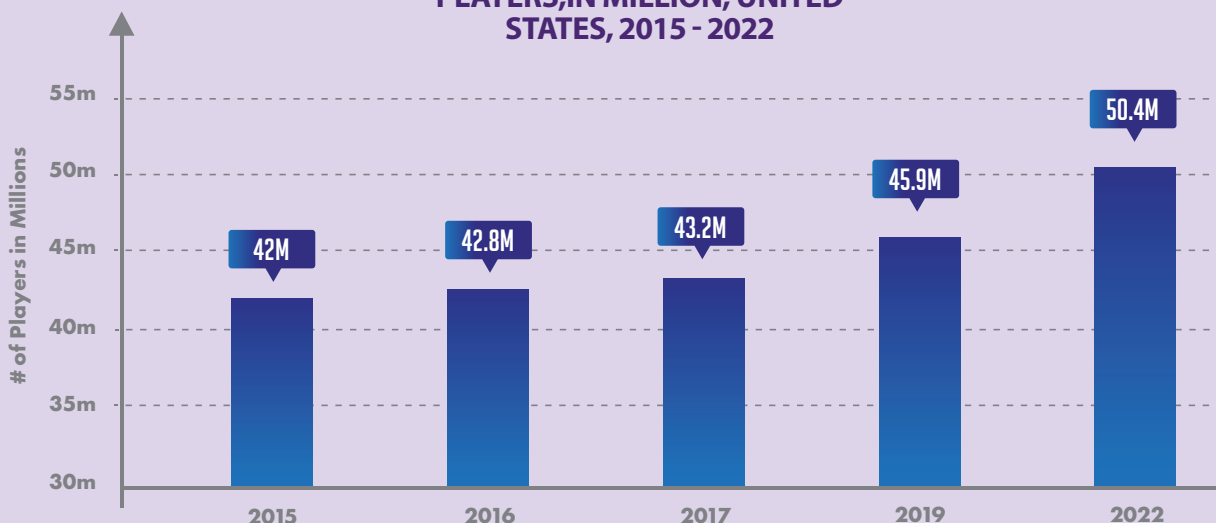
The competitive yet friendly banter, the sharing of near-misses, and the celebration of victories add a rich layer to the user experience. It's not just about winning money; it's about earning respect and recognition within a community of peers.

Moreover, the accessibility of fantasy sports has played a critical role. With just a smartphone, enthusiasts can dive into the world of fantasy sports, making it a pastime that fits into the pockets of millions. The convenience of playing, coupled with the ever-improving technology, means users can engage anytime, anywhere.

As the statistics from 2015 to 2022 show, fantasy sports have carved out a substantial niche in the US market. However, this upward trajectory is not only about numbers; it's a testament to a cultural shift. As legislation continues to favor games of skill, and as technology advances, the potential for growth in this sector is vast. The future of fantasy sports, especially skill-based wagering platforms, looks promising. Their continued legalisation and integration into sports culture will likely only propel their popularity further, making them a staple in the landscape of American sports entertainment.

This rise reflects a broader trend: the desire for interactive, skill-based entertainment that rewards knowledge, strategy, and social interaction. As long as the legislation continues to distinguish between chance and skill, the fantasy sports industry will likely continue to thrive, innovate, and captivate the American public. of potential to maximise profitability and market reach.

**NUMBER OF FANTASY SPORTS
PLAYERS, IN MILLION, UNITED
STATES, 2015 - 2022**



**GI**
FRIDAY **GUEST****COLUMN****ANNA KOSTUS,**
MANAGING DIRECTOR,
FTI CONSULTING

Kostus discusses 'closing the gap' – and how gambling operators will need to reevaluate their control frameworks

Six months on from the UK Government's Gambling Act Policy Paper Review, how do operators need to re-examine their safer gambling and anti-money laundering frameworks ahead of regulatory overhaul?

In April 2023, the UK Government published its Gambling Act Policy Paper Review, marking the first move towards reforming the rules that govern the UK gambling industry since 2005.

The proposed changes outlined by the White Paper will likely have the biggest impact on UK-licensed online gambling operators who may be faced with the need to reshape their safer gambling (SG) and anti-money laundering (AML) processes, people and technologies.

Some operators have been more proactive in reshaping their SG and AML control frameworks, and therefore have robust, mature and efficient systems in place.

But if the Gambling Act is revised in line with current proposals, the UK will become one of the most heavily regulated markets from a safer gambling perspective. Any gaps or areas of oversight in SG and AML frameworks should be urgently addressed by operators, especially considering the uptick in enforcement action we have seen over the past two years from the Gambling Commission.

One important part of the proposed regulatory overhaul is the prescription of online protections and financial checks for customers at various spend levels. These financial risk checks refer to targeted checks that operators should undertake to identify whether a player may be exposed to specific, defined financial risks,

such as showing signs of being prone to binge gambling or other financial vulnerabilities. Within this, the nature of the proposed checks should vary depending on the type of risks identified.

The checks are intended to serve as an important safeguard against gambling harm, given the prescribed nature and timing of the checks that enable operators to spot vulnerable players earlier.

In principle, the current safer gambling rules in place across Europe already expect operators to undertake financial checks on players who wager and/or lose a high enough sum. However, these checks are not required to be prescriptive, meaning operators currently have a degree of freedom in defining the activity thresholds after which the checks would kick in, as well as the timing of those checks.

By prescribing not only when a check must take place but also what the check should consist of, the UK's approach will likely require several operators to rethink their existing SG frameworks.

While most of the UK Government's proposed plans are not expected to come into force until summer 2024, it is likely that some form of prescribed financial checks will be legislated for in the near-to-medium term.

The public is increasingly aware of gambling harms, which have been more widely reported since the start of the Covid-19 pandemic. The need to update the current UK gambling law has been mooted by legislators. We have also seen a definitive shift in the messages coming from the Gambling Commission around the need to define spend thresholds and limits, and for operators to



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consider affordability when onboarding new players and managing existing player relationships.

It makes sense for firms to act now to enhance their 'Know Your Customer' and other monitoring arrangements. This would enable operators to be best-placed to shrink and eventually close potential regulatory gaps ahead of time – without the need to play catch-up once new rules are in place.

The industry can look to the financial services sector for learnings on this. Over the past 15 years, the UK financial sector has had to come to grips with both increasing regulatory burden and regulator activation. In the financial crime space alone, there have been multiple AML scandals, increasing fines and tighter rules.

There are lessons here that are relevant to the gambling sector. Most evidently, the way fintech companies and industry disrupters scaled up the financial crime compliance maturity curve may resonate with a gambling sector facing a similar need to implement more complex frameworks.

While operators already have regulatory affairs and compliance teams to support them in developing their frameworks, these teams are often relatively small and focused on the delivery of business-as-usual activities rather than change operations. Gambling firms may see themselves in need of external help in interpreting and implementing new regulations, particularly where the rules may be loosely defined.

Anna Kostus is Managing Director in the Financial Crime Compliance practice at FTI Consulting.





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