

FOREWORD

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It is my great pleasure as Chairman of the Asian Racing Federation to provide the opening thoughts for this new publication from the ARF Council, 'The State of Illegal Betting'.

The report is intended as a regular review of what is happening in regard to illegal betting and related financial crime so readers can understand the impact of this continued serious problem. Illegal betting is constantly evolving, and indeed growing, and hence regular fresh analysis of the negative impact of this phenomenon is needed.

'The State of Illegal Betting' report is intended to assist government policy-makers, regulators, law enforcement officers and those involved in the governance of horse racing and other sports, as well as people in the racing and betting industries, to comprehend the present scale, scope, and harm to society of illegal betting and related financial crime.

In the report, the ARF Council explains the current state of illegal betting. The ARF Council's analysis of online betting websites has found that 61% of betting websites examined were effectively illegal in most countries as they are either Licensed but Under-regulated or Unlicensed and Unregulated. Only 39% were Licensed and Regulated, and just three jurisdictions were responsible for 62% of the online betting licences that were Under-regulated.

This means that almost two-thirds of online betting operators are taking bets in jurisdictions where they do not hold a licence. The problem of questionable legality of certain betting operators is becoming increasingly complicated by a handful of jurisdictions that specialise in issuing licences to Under-regulated betting operators, who then take bets from outside of these jurisdictions.

Clearly the issuance of gambling licences to companies taking bets in jurisdictions where they are not licensed involves no standards and no boundaries. This is in marked contrast to the effective local regulatory systems that govern legal betting operators within the jurisdictions where they take bets. It is only when operators have full legal authority, by being licensed in the jurisdictions where they take bets, and by taking bets only from customers located in those jurisdictions in which they are licensed, that harm to customers can be prevented and the integrity of racing and other sports protected.

It is also important to stress the considerable and essential financial returns to the racing industry which Licensed and Regulated betting operators provide, via levies, betting duty and other support payments. The same holds true in several jurisdictions for other sports also.

The commentaries from ARF Council members in the report point out that this globalised growth of illegal betting results in major threats to the integrity of racing and other sports, the growth of transnational organised crime, and gambling harm to customers. It is clearer than ever that illegal betting is a current and major global social problem that requires continued attention.

My thanks to the experts who are members of the ARF Council for giving their time and insight to the production of this report. I hope that you find their work useful in the continued efforts to protect the integrity of racing and other sports from illegal betting and its associated negative impacts.