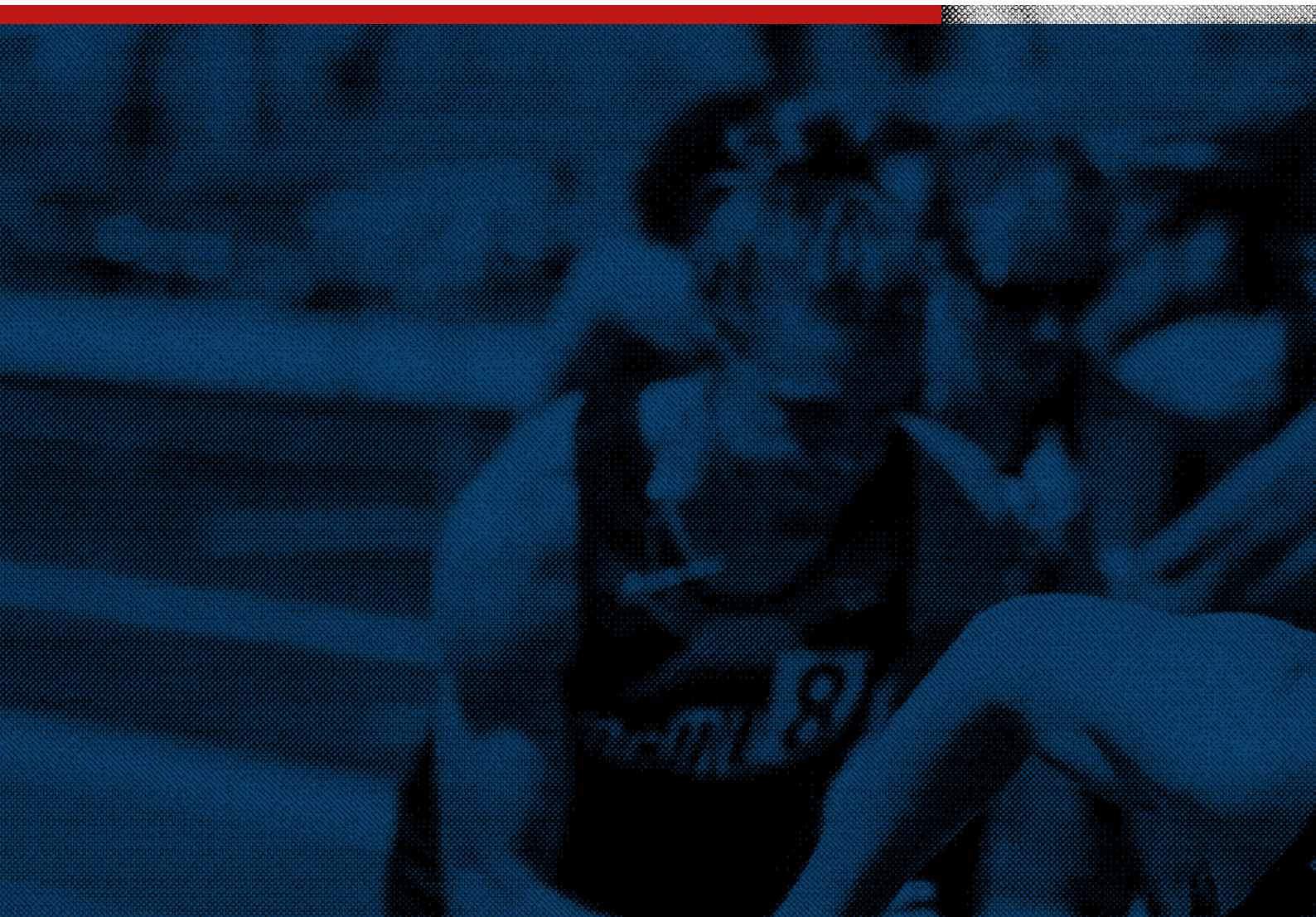




A STUDY OF BETTING OPERATORS AND THEIR SPONSORSHIP OF SPORT

JULY 2020



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FOREWORD

GLMS issues this study as a call to action in the face of a systemic global problem that, if allowed to continue, will be to the detriment of global society. The vision and mission of GLMS has been since 2017 to safeguard sport Integrity by developing a culture of Integrity and Social Responsibility through various activities in addition to detecting suspicious betting patterns. This includes advising regulators as to what provisions need to be introduced when it comes to legalising sports betting and protecting sports values and sustainable market conditions.

Betting Sponsorships on Sports

Betting sponsorships have become ubiquitous in sports, with more than two-thirds of the teams examined in this study having some form of partnership with a betting-related website or sportsbook operator. This is especially pronounced in football, where 70% of teams have betting sponsors and one-quarter of teams display the logos of betting companies on their shirts. Of all 188 sports teams examined, 30% were associated with sponsorship by firms which are operating in markets that are not subject to specific legislation for sports betting or practice prohibition.

GLMS calls on all actors to take immediate action, in order to mitigate the real risk that illegal operators will use the information from this study to adapt their actions to avoid such detection in the future. Sports organisations need to take strong action to protect themselves because the commonplace activities of today in Asian betting operations with regard to sport on a scale much wider than simply soccer, (including its gambification globally) will soon become rife in the rest of the world.

COMMONLY USED TERMS

Asian-facing operators

Asian-facing betting operators refers to those operators looking to attract an audience based in far east Asia. The study will also refer to other terms that are widely used in betting circles; Asian-facing betting operators identified in this analysis may argue that they are not acting illegally because they hold licenses from gaming regulators. However, these licenses are typically from jurisdictions which themselves prevent betting services being offered in the territories outside the jurisdiction of the licence. Because of this legal uncertainty, these operators are often termed "grey-market" betting operators to distinguish them from clearly legal operators and clearly illegal operators, such as street bookmakers or unlicensed websites.

Mirrors and white labels

In addition, there are situations in which some Asian-facing websites have dozens, or even hundreds, of websites with different domain names¹ under the same brand name specifically for Asian customers. These websites, known as mirrors, could facilitate operations in jurisdictions where restrictions are in place. Thus if one of the domains is blocked, customers can rapidly be redirected to a similar website with the same login information and transaction records and continue their betting activity. White label operators are those where the content and product is produced by one company but is then offered by a second party under a different brand name.

Offshore betting

Offshore betting is the act of placing bet with an operator that is situated or registered abroad. One reason for this is to take advantage of lower costs or less stringent regulation. Many bettors have resorted to offshore betting on sports events, for example placing bets from their offshore online gaming accounts.²

¹ <https://1xbet-china.com/>

² Read more, see The offshore game of online sports betting by By James Glanz, Agustin Armendariz and Walt Bogdanich Oct. 25, 2015 <https://www.nytimes.com/2015/10/26/us/pinnacle-sports-online-sports-betting.html> for example, last accessed on 23 March 2020

Unregulated, regulated betting and illegal betting in the lotteries' dictionary

It should be noted that terms such as regulated/unregulated and grey markets are used in some betting circles; even though they are not generally part of the lottery domain's vocabulary. The lotteries generally follow the definition of illegal betting set out in the International Convention on the Manipulation of Sports Competitions of the Council of Europe (CETS 215), which entered into force on 1 September 2019 and which was drafted by various continents and international stakeholders. For lotteries, the label of illegal and legal applies to betting operators in function of whether they respect the national betting regulatory framework to protect consumers or whether they go beyond the limits of the jurisdiction. The lotteries' approach to the topic is based on three types of markets with legislation that always falls in within three regulatory models: monopoly, licence and prohibition. These models can differ according to the distribution channels. For example, the Netherlands had monopoly offline and prohibition online, while in Brazil until recently there was no legislation addressing sports betting specifically. Gaming is now prohibited in Brazil with the exception of games approved by law, including the lottery. Some may consider the prohibition alternatively to mean unregulated - offering bets in a jurisdiction which practices prohibition or does not have a clear regulation/legislation notably on online betting. When a jurisdiction practices a monopoly, it is more challenging to consider this to be an unregulated jurisdiction.

National Platforms

With the entry into force in September 2019 of the International Convention on the Manipulation of sports competitions (CETS 215) adopted by the Council of Europe – commonly known as the Macolin Convention- the unique concepts of national platforms was born. The Convention, which was drafted by over 50 stakeholders from 4 continents, as well as by international organisations such as Interpol, the International Olympic Committee and FIFA among others, was adopted in 2014 before entering into force in 2019. The Convention encourages co-operation and co-ordination between all relevant stakeholders involved in the fight against the manipulation of sports competitions, including activities to fix competitions both on and off the field of play. A national platform, explained in articles 12³ and 13⁴ of the Convention, is meant to be an official entity that combines and centralises national actions from operational to strategic activities between public and private entities, supported by national legislation and the Council of Europe. This is how many sports organisations and regulators are today endeavouring to develop coordinated national actions with operations, investigations, education and prevention.

³ Article 12 – Exchange of information between competent public authorities, sports organisations and sports betting operators – CETS 215 at page 7-8 <https://rm.coe.int/CoERMPublicCommonSearchServices/DisplayDCTMContent?documentId=09000016801cdd7e>

⁴ Id footnote 3. Article 13– National Platforms at page 8-9

EXECUTIVE SUMMARY

Damage to Sports Integrity

While betting on sports competitions is not to be perceived as a negative trend per se, it is necessary to ensure that measures are implemented to mitigate the risks that could flow from illegal criminal exploitation of sports betting, such as match-fixing⁵ in order to carry out criminal activities including money laundering⁶ and organised crime⁷ or offering bets in a jurisdiction without a licence that is required by that national jurisdiction.

Asian-facing betting operators⁸ leverage on their association with respected sports teams to legitimise their products and target customers in Asia, where both European football and betting are hugely popular. For sports teams and official governing bodies, this should raise concerns as Asian betting operators market to customers in jurisdictions where most online betting is illegal or unlawful. Sports teams and competitions that partner with such operators could be associating themselves with entities that may, even indirectly, corrupt their sports. Therefore, it is crucial to understand the risk in unregulated sponsorship.

GLMS is fully aware of the financial impact that the pandemic outbreak will have on the world of sport and how fragile the ecosystem could be. Other regulators, including those collaborating closely with GLMS, such as the UK Gambling Commission, in spring 2020 have also issued warnings, also fining businesses such as FSB⁹, following investigations that identified responsibility failings attached to the management of its 'subsidiary licensed' partners. The investigations found that in the peak of the pandemic FSB's white label partners had breached industry standards on customer interactions, inappropriate advertising and failure to intervene with problem gaming behaviours, among other issues¹⁰. During the height of COVID-19, between March and June 2020, there were still a few residual and low profile sports events on-going, which were higher risk of integrity concern than usual. In addition, there were certain phenomena such as ghost games which had increased in frequency. GLMS had advised its members that the level of vigilance needed to be raised to make sure that any potential window of opportunities for fraudsters and criminal organizations determined to exploit illegally post Covid-19 scenarios is promptly closed¹¹.

⁵ The commonly accepted definition of manipulations of sports competitions is adopted from the Convention on the Manipulation of Sports Conventions, adopted by the Council of Europe in 2014 and in force since September 2019 (Macolin Convention). Match-fixing under that definition is taken to mean the on-venue act of the more global act of manipulations of sports competitions.

⁶ <https://www.occrp.org/en/thedaphneproject/how-maltese-online-gambling-became-an-atm-for-the-italian-mafia>

⁷ [http://www.oecd.org/officialdocuments/publicdisplaydocumentpdf/?cote=GOV/PGC/HLRF/TFKIT/RD\(2017\)3&docLanguage=En](http://www.oecd.org/officialdocuments/publicdisplaydocumentpdf/?cote=GOV/PGC/HLRF/TFKIT/RD(2017)3&docLanguage=En)

⁸ Asian-facing betting operators refers to those operators looking to attract an audience based in far east Asia

⁹ <https://www.gamblingcommission.gov.uk/news-action-and-statistics/news/regulator-issues-warning-to-operators-over-third-party-responsibilities-as-fsb-receive-sanctions-for-failings> - accessed on 26 May

¹⁰ UKGC warns of white label conduct following FSB failings by Ted Menuir, Published on 6 May 2020, via <https://sbcnews.co.uk/sportsbook/2020/05/06/ukgc-warns-of-white-label-conduct-following-fsb-failings/> - accessed on 26 May 2020

¹¹ GLMS Monitoring and Intelligence reports <https://glms-sport.org/monitoring-intelligence-reports-archive/>

Because of these factors, sports teams and official governing bodies should consider carefully the potential reputational and financial crime risks of betting sponsorships. GLMS believes that more can be done to conduct due diligence on potential partners to assess their standards of corporate governance and transparency, and to assess whether these sports sponsorships may be facilitating illegal betting. The key objective of any effort to address the current situation would be protecting the confidence and integrity in football and sports globally.

The study is based on an elaborated GLMS methodology and presents the current situation in various sports and competitions, highlighting the trends in betting sponsorships and casting light on the issue of Asian-facing markets, presenting hypotheses from real situations. The study further draws attention to the risks and impact on sports if the betting sponsors are not sufficiently vetted and also provides examples of how many stakeholders, including competition organisers and regulators are working to ensure the integrity of operators within their respective jurisdictions. It concludes with a number of recommendations for consideration.

An aerial, top-down view of a large, circular stadium, likely the Allianz Arena in Munich, Germany. The stadium is filled with seating, and the central field is visible. The entire image is overlaid with a semi-transparent blue filter. The text '1 INTRODUCTION' is centered in the upper half of the image.

1

INTRODUCTION

1. INTRODUCTION

Globally, studies show that a link exists between illegal betting and problem gambling¹², while some also show that betting advertising can increase the harmful consequences of excessive betting¹³. Studies on excessive betting suggest that it could lead to social issues such as depression, suicide, unemployment and financial problems. Some betting sponsors in the English Premier League (EPL) have already been criticised for not doing enough to support responsible gaming.

Direct links exist between online betting and sport-related crime through sports manipulations, involving organised crime¹⁴ and the commission of known offences such as fraud, money laundering¹⁵ and other financial crimes. In 2014, a report published by the Sorbonne University and International Centre for Sport Security (ICSS)¹⁶ estimated that criminal groups were laundering US\$140 billion a year by match fixing and illegal betting, with 53% of illegal bets coming from Asia.

The relationship between betting operators and sport teams, athletes and events has grown ever stronger in the last few decades¹⁷, resulting in the need to ensure, for the sake of the integrity of the sporting actor or competition, that the operator is not operating illegally.

With the pandemic outbreak of COVID-19, operators globally have seen a rise in bets offered on lower level competitions and in an attempt to have competitions on which to offer bets, GLMS raised its vigilance on the one hand on lower competitions and at risk competitions and on the other hand on those betting operators that may not be considered legal in the jurisdiction in which they are operating. Amidst this unprecedented situation, where businesses have migrated almost wholly to online operations, maintaining the integrity of sports will present a higher challenge.

Although most sports events had been suspended between March and early June 2020, GLMS has continued to remain fully engaged at the service of its members and partners in its integrity monitoring work.

¹² Tessler, A., El Beyrouy, K. & Crapnell, N. An exploratory study of illegal gamblers in Hong Kong. *Asian J of Gambling Issues and Public Health* 7, 9 (2016). <https://www.oxfordeconomics.com/recent-releases/impact-of-illegal-gambling-in-hong-kong>

¹³ https://www.academia.edu/34732603/Lopez-Gonzalez_H._Est%C3%A9vez_A_and_Griffiths_M.D._2018_-_Controlling_the_illusion_of_control_A_grounded_theory_of_sports_betting_advertising_in_the_UK_International_Gambling_Studies_18_39-55

¹⁴ The formal definition of organised crime will apply dependent on the extent and structure of the network. Long-term organisations covering a large territory and collecting high revenues may fall under the strict definition of "organised crime". However, as the 2017 SOCTA warns, the organisational structure of organised crime groups is itself changing towards a model of loose cooperation between "criminal entrepreneurs", further rendering obsolete the classical image of hierarchical, long-time and pyramidal criminal groups. This study will therefore employ a flexible definition – see Preventing criminal risks linked to the sports betting market – published June 2017 by IRIS Institute at page 9

¹⁵ <https://www.timesofmalta.com/articles/view/20170906/local/ndrangheta-ran-a-2-billion-money-laundering-operation-through-malta.657333>

¹⁶ <http://sorbonne-icss.univ-paris1.fr/presse/>

¹⁷ See for example Preventing criminal risks linked to the sports betting market – published June 2017 by IRIS Institute at page 32 https://www.iris-france.org/wp-content/uploads/2017/06/PRECRIMBET_2017_FINAL.pdf

Objective

This study aims to bring awareness to the scope and scale of betting sponsorships in sports and illustrate how some betting operators exploit these partnerships with sports teams to market to customers in jurisdictions (particularly in Asia) where most online betting is illegal¹⁸ or where the national jurisdiction practices prohibition.

Methodology

Between July and November 2019, the official websites of 180+ sports teams from nine different competitions were examined. A database was compiled of all the teams and their respective betting sponsors as stated on their websites. Information on betting partnerships was also sourced from official company announcements and press releases, supported by reports in gaming and sports sponsorship trade publications.

Betting sponsors were then assessed for a specific set of criteria that suggested they were targeting customers in Asia. These characteristics include whether the brand logo, marketing materials or website content are presented in Asian languages; whether their betting websites accept Asian currencies or payment solutions; whether the sponsor has been announced as an official Asian betting partner of a sports entity; or whether the website has its own domain or mirror sites set up for Asian customers.

The written study is non-exhaustive due to the sheer nature of volume of discovery, and supported by a set of retained databases and online archives which form the basis for the details contained herein. All links and screenshots were active on 23rd March 2020. Where possible, research was additionally verified by local GLMS members.

¹⁸ Illegal definition as per the International Convention on the Manipulation of Sports Competitions of the Council of Europe, CETS 215, article 3.

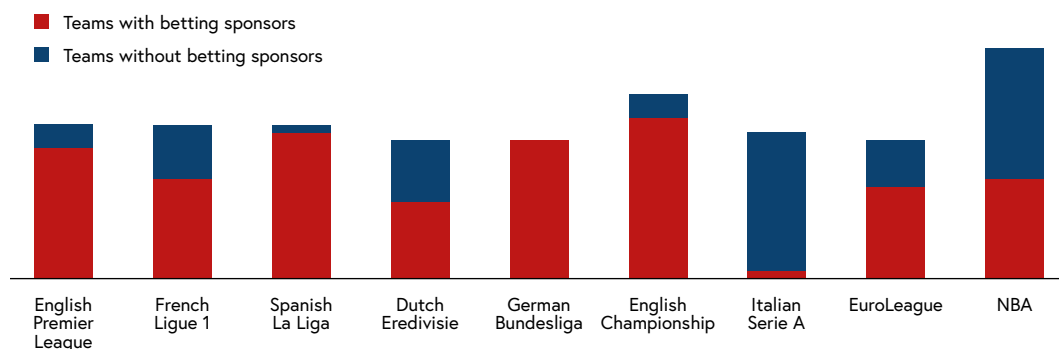
Trends on Betting Sponsorship

Most betting operators are well-regulated corporate citizens that operate only within jurisdictions in which they are licensed, pay taxes in those jurisdictions and support responsible gaming. In many cases there is a natural synergy between these legitimate operators and the sports they support, with sponsorship revenue being a key contributor to the ongoing success of some sports.

However, some betting operators exploit the sponsorships of sports teams to market their products to customers in jurisdictions, particularly in Asia, Africa and South America, where most online betting is illegal or unlawful.

Of the 93 betting sponsors identified in this study, 33% are assessed as Asian-facing and 30% of teams are involved with such an operator. In football, the proportion of Asian-facing betting sponsors is 50%. The popularity of major football and basketball competitions in Asia is a key factor driving the boom in betting sponsorships, because it allows Asian-facing operators to market to customers in countries where both their products and the advertising of it may be illegal.

125 sports teams (66%) out of 188 from the following nine leagues have partnerships with betting operators



Football

According to the governing body of European football, UEFA, sponsors from the betting industry now account for 11% of sponsorship market share in Europe's top divisions¹⁹, trailing only the financial services and retail sectors. The findings from this analysis are thus aligned with broader market trends.

In 2019/20 season, 17 (85%) of 20 clubs in the EPL have at least one betting partner. Half of them have betting firm logos on their shirts. In Spanish La Liga, 19 (95%) out of 20 clubs have betting partners; in German Bundesliga, all 18 clubs do.

The increasing trend of betting sponsorship in different forms will be discussed in this study.

Basketball

The phenomenon is also seen in basketball. Twelve of the 18 teams in the EuroLeague are now partnered with betting companies. The league itself is sponsored by betting companies, which collectively account for 10% of the league's sponsorship revenue.

The trend has spread to the US where gaming sponsorships of sport – virtually non-existent before changes to sports betting laws in 2018 – are increasing. The NBA became the first American sports competition to enter a gaming partnership in the 2018/19 season, striking a deal with US casino operator MGM. Thirteen teams (43%) out of thirty now have partnerships with a casino, lottery or sports betting operator.

Other Sports

The sponsorship issue is not restricted to football, with 12% of UK sport sponsored by the gaming industry, behind only the car, airline and financial industries.²⁰

Though tennis has now banned²¹ player sponsorship, there remains significant betting sponsor involvement in many others sports such as snooker. While betting sponsorship is not limited to any particular sport and can easily expand into new sports, it is clear that individual sports should be more active in assessing the pros and cons of allowing betting sponsorships.

It is crucial to note that sponsorship of sports teams by betting operators is not in itself a negative trend, nor discouraged. However, when assessing risks and vulnerabilities, the risks are higher with the occurrence of activities such as sharing of inside information, or conflicts of interest. The Macolin Convention of the Council of Europe guides States Parties on this point, through its article 10 referring to betting operators, thus highlighting that these sponsorships need to be regulated effectively to minimise the potential risks in the endeavour to safeguard sporting competitions and sporting values.

¹⁹ https://www.uefa.com/MultimediaFiles/Download/OfficialDocument/uefaorg/Clublicensing/02/59/40/27/2594027_DOWNLOAD.pdf

²⁰ <https://twocircles.com/gb-en/articles/sport-misses-out-on-14bn-despite-growth-year-for-sponsorship-spend/>

²¹ <https://tennisnerd.net/news/tennis-sponsorship-with-gambling-companies/10539>

2 ASIAN BETTING MARKETS

2. ASIAN BETTING MARKETS

Background of the Asian Market

Facilitated by rapid developments in internet and mobile technology, online sports betting has become a huge transnational industry. However, different regulations across jurisdictions mean much of this online betting takes place in jurisdictions where it may be illegal or unlawful. Estimates of global industry size vary but it is universally agreed that Asia, with its huge appetite for betting, is in the top two continents. Most forms of sports betting are illegal under the national law on the Asian continent -or heavily regulated- as a result, there is a substantial illegal betting market.

Legal sports betting services that exist in Asia are often managed by the state and/or licensed not-for-profit organisations, which have heavy restrictions on what products they can offer and in what fashion. In Singapore, for example, the only legal sports betting option is the Singapore Pools. In Hong Kong, the Hong Kong Jockey Club is the sole licensed operator of football and horse racing betting.

Asian-facing betting operators identified in this analysis may argue that they are not acting illegally because they hold licenses from gaming regulators. However, these licenses are typically from the Philippines, and paradoxically come with the caveat that bets may not be taken from within the Philippines. Their opponents, including GLMS argue that "if operators are not licensed in the jurisdictions in which their customers are based, they are facilitating illegal betting". This is already the law in a number of countries and the definition in article 3 of the Macolin Convention.

Because of this legal uncertainty, these operators are often termed "grey-market" betting operators to distinguish them from clearly legal operators, such as the China Sports Lottery, and clearly illegal operators, such as street bookmakers or unlicensed websites. However, there is widespread interaction between street-level bookmakers and grey-market websites and a lack of global regulation or enforcement to prevent such activities.

One widely agreed upon definition is provided in the Macolin Convention²², in force since September 2019, which states that illegal betting is "any sports betting activity whose type or operator is not allowed under the applicable law of the jurisdiction where the consumer is located".

Therefore, by offering bets to customers in jurisdictions such as China, Hong Kong, Thailand, Malaysia and other jurisdictions, Asian-facing operators, and by extension the sponsorships, could be accused of facilitating illegal betting.

²² <https://www.coe.int/en/web/sport/about-the-convention-on-the-manipulation-of-sports-competitions>

Asian-facing Operators

To comply with the sponsorship regulations, Asian-facing websites thus will typically have a website licensed in the jurisdiction of the team they are sponsoring. Hypothetically, a licensee named www.betXYZ.co.uk could sponsor a team in the English Premier League. However, there have been situations in which some Asian-facing websites have dozens, or even hundreds, of websites with different domain names²³ under the same brand name specifically for Asian customers.

These websites, known as mirrors, could facilitate operations in jurisdictions where restrictions are in place. For instance, if mirror website www.betXYZ-88.com is blocked by authorities, customers can within minutes be re-directed to www.betXYZ-99.com with identical login information and their transaction records intact. For appearances' sake, the local site will be used in advertisements, but would face the very real threat of minimum traction or market share in the long-established local betting industry where many strong brand names exist. Thus, although www.betXYZ.co.uk may be licensed by the national jurisdiction to operate (and thus sponsor) in one jurisdiction, most betting will take place on mirror sites namely www.betXYZ-88.com and www.betXYZ-99.com – sites that are not licenced by the jurisdiction.

Furthermore, these operators often are not directly licensed by the national gaming regulator but through so-called white-label providers. Under such white-label agreements, operators agree deals with already-licensed operators to operate under their license, generally using the same trading capabilities, customer management software and other back-end technology. The white-label provider receives a proportion of every bet placed in return, an amount which becomes significant with high volume.

Many of the Asian-facing operators have used their European license to market to Asian customers through sponsorships often through such white-label agreements. The costs of such agreements may be outweighed by the fact that most of their profits do not come from the white-label Europe-licensed website, but their Asian mirror sites. Some of these operators have occasionally fallen foul of authorities, especially in China, though such cases are rare and generally been limited in scope²⁴.

Advertising betting is illegal in many of the key markets in which Asian-facing operators seek revenue. But the huge popularity of football, snooker, basketball and many other sports in Asia ensures that any sponsorship deal struck in the top tiers of those sports guarantees exposure of their brand to television viewers in Asia.

²³ <https://1xbet-china.com/>

²⁴ accessed on 23 March 2020

http://www.legaldaily.com.cn/bm/content/2010-06/17/content_2171026.htm?node=20733,

<http://news.sina.com.cn/c/2010-06-11/041917641158s.shtml>

http://news.ifeng.com/a/20150809/44385598_0.shtml

Potential Impacts and Risks

While established corporate operators working only in markets which allow gaming and in which they hold a licence in accordance with the national law, support responsible gaming and sports integrity initiatives, those operators working in markets that have no regulation legalising and regulating gaming appear to be primarily concerned with driving profits and liquidity. This is further demonstrated by the short shelf lives of such betting operators, a factor which could contribute to sponsorship payments not being made in unique cases.

Our study shows that while the more globally known corporate bookmakers have maintained their existence for many years, the type of operator highlighted in this study often has a short shelf life and a propensity to be easily reincarnated. However, this may already be too late to mitigate the damage, as, having established a customer base, operators then have the required liquidity to become a going concern. Their presence as a so-called grey or black market operator and their liquidity from that point on may further enable match-fixing to occur in lower profile leagues and sports, driven as match fixing is by its acceptance and unreported nature in grey and black markets²⁵.

Of course, betting sponsorship is crucial for many reasons, as it helps feed the life of sports teams, their venues, their equipment and their attractivity. Lotteries in particular have a mission to fund good causes and betting sponsorship funds help finance these good causes. Therefore, it is all the more important that it is properly regulated and controlled.

Unregulated betting as defined earlier in this study, is also known to have a highly negative social impact. Worldwide, there is a growing body of evidence that unregulated betting creates negative external costs for societies and can contribute to development of problem gaming²⁶. This leaves existing sports and teams open to accusations of encouraging problem and underage gaming, and major reputational risk, while developing sports such as MMA and e-Sports are immediately immersed in these societal problems without having the control and governance (or the finance) in place to deal with them from day one. Predictably, the e-Sports industry has begun to see the introduction of betting sponsors in recent years²⁷.

²⁵ https://play-by-the-rules.s3.amazonaws.com/Resources/R067_MATCH_FIXING.pdf © Play by the Rules 2015

²⁶ <http://www.asianracing.org/uploadmedia/ARF-AIBTF-White-Paper---Illegal-Betting-in-an-Asian-Context.pdf>
Illegal betting in an Asian context Anti-Illegal Betting Taskforce, Asian Racing Federation, September 2018

²⁷ <https://www.gamingintelligence.com/marketing/54773-letou-enters-esports-market-with-fnatic-sponsorship-deal>

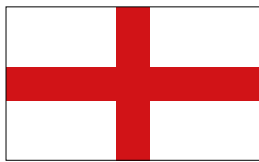
3

BETTING OPERATOR SPONSORSHIP

3. BETTING OPERATOR SPONSORSHIP

Once again, the fact that betting operators sponsor teams is not to be perceived as a negative trend nor is it the objective of this study to discourage such sponsoring. The study aims simply to highlight the risks that run from the fact that betting operators sponsor clubs and teams and thus these risks need to be kept to a minimum and mitigation strategies need to be in place.

England



The EPL is broadcast in 180+ countries and is one of the most-watched sports competitions in the world, with cumulative global audience of 3.2 billion in 2018/19 season. 1.3 billion Asian in-home viewers accounted for roughly one-third of EPL's total viewership and was double that of its UK in-home audience. This highlights EPL as an excellent marketing platform for Asian-facing betting operators.

No. of Betting Sponsors on EPL Shirts

S16/17	S17/18	S18/19	S19/20
11	11	10	10

In a recent report by the UK's House of Lords, the English Football league emphasised the importance to them of the sponsorship agreement they have had with Sky Bet since 2013/14, which is likely to continue until 2023/24 at least. 'More than 60 of their clubs also have co-existing arrangements with competitor betting brands (some including front of shirt sponsorship) and beyond that many carry paid-for advertising on pitchside perimeter boards and in matchday programmes'.²⁸

- At least 10 (or 50%) of all 20 EPL teams had betting logos on their shirt fronts or sleeves in recent seasons.
- In 19/20 season, 9 different betting operators are involved, with ManBetX sponsoring 2 teams
- 6 of these 9 operators' logos are presented in Chinese characters
- Betting sponsors can pay EPL teams up to £10m per season, which may be double what other sponsors are prepared to pay²⁹

²⁸ 2020 House of Lords Report, 'Gambling Harm – Time for Action' https://publications.parliament.uk/pa/ld5801/ldselect/ldgamb/79/7910.htm#_idTextAnchor180

²⁹ <https://www.dailymail.co.uk/sport/football/article-7883403/Shirt-deals-betting-firms-pay-double-Premier-League-clubs-admit-turn-cash.html>



Aston Villa	Bournemouth	Burnley	Crystal Palace	Everton
Newcastle	Norwich	Watford	West Ham	Wolves

Sleeve Sponsor

A change was made in recent seasons to allow a sponsor on one of the shirt sleeves (in the past, both sleeves were showing logos of EPL or the Cups the team was participating in). In 2019/20, 3 of the 10 teams sponsored by betting operators also have the logo of betting operators on their shirt sleeve (Aston Villa, Burnley and Bournemouth).





Trend of Growth

There have not been significant changes to the types of companies which sponsor EPL shirts in the last decade, perhaps due to the expense, but the number of betting partnerships has increased. These are sponsorship deals which allow the company to associate its brand with the team's, often including pitch-side advertising or presence on official websites.

In 2019/20 season, 18 teams (90%) have at least one betting partner or shirt sponsor, and many have more than one. According to GLMS methodology in compiling this study, 15 teams (75%) are sponsored by operators assessed to be marketing to customers in Asia.

BETTING PARTNERS			
Arsenal	Vbet	Man United	Yabo Sports
Aston Villa	Play3NIU, W88	Newcastle	Mansion, bet365
Bournemouth	Mansion	Norwich	Dafabet
Brighton	Betway	Sheffield United	Ladbrokes
Burnley	LoveBet	Southampton	Unibet
Crystal Palace	ManBetX	Tottenham	William Hill, Fun88, betway
Everton	SportPesa	Watford	Sportsbet.io
Leicester City	19.com, betway, bet365, W88	West Ham	Betway
Man City	Marathon Bet	Wolves	Bet365, ManBetX



In numerous cases over the past few years, the betting partner is openly introduced as being Asian facing. For example, Aston Villa's website states that "W88 is a rapidly growing brand in the gaming industry with a strong presence in Asia"³⁰, while Wolves' website says "this deal will only expand our global reach, given the impressive reputation ManBetX has in Asia"³¹.

In other cases, the situation may be more opaque, but an inspection of the operator's own websites will reveal a clearer picture. The homepage of Leicester City's "Official Betting Partner" 19.com³² (which also operates heavily in snooker) is almost entirely in Chinese language and contains no ability to place bets within that site. However, if you access the customer services section of 19.com website, that directs you to 19888555.com and 19888666.com and 19888777.com. (See Figure 1)

Those three websites are all branded with the 19.com logo, all offer full mobile account betting services, and are only available in Chinese language. This is classic mirror website positioning aimed at a non-UK audience, and is far from the only case amongst sponsors in British sport.



Figure 1 - From left to right, 19.com's homepage, customer service link (bottom), customer service page, and mirror site.

³⁰ <https://www.avfc.co.uk/News/2019/06/06/w88-become-new-principal-partner-of-aston-villa>

³¹ <https://www.wolves.co.uk/news/club/20190604-manbetx-unveiled-as-wolves-new-shirt-sponsor/>
- Page accessed on 23 March 2020

³² Links accessed and active on 23 March 2020



The history of betting sponsorship in the EPL goes back further than many other leagues and seems to reveal a cyclical pattern of reincarnation. While some brand names remain, there have been some new companies which, with little or no discoverable past, are able to afford EPL shirt sponsorship and once the sponsorship period has ended, these brands no longer exist. By way of illustration, in the 2017/18 season, Huddersfield were sponsored by OPE Sports, whose website no longer exists. That listing was a white label operated by UKGC licensee Vivaro Limited³³, who now operate Vbet which is the lead betting sponsor of Arsenal. Vivaro and Bet Construct, which are under the same Armenian leadership, are connected to a range of other white label sites connected to sponsorship in sport^{34 35}.

In that same season Chelsea were sponsored by Ole777 ("a renowned online gaming company in Asia, with an ever-growing presence in key markets China, Thailand and Indonesia" – sports betting is illegal in those three countries)³⁶. Websites associated with that brand no longer exist, though mirror sites such as www.haoli777.com do and are still available in Chinese, Indonesian and Thai languages³⁷. In the 2016/17 season, West Bromwich Albion were sponsored by uk-k8.com, a site which was licensed by UKGC at the time, but which no longer exists.

Recent developments on sponsorship and advertising

In August 2019, the UK gaming industry's voluntary 'whistle-to-whistle' ban on advertising came into force, prohibiting any gaming advertising during live sport televised before the 9pm watershed for a 'whistle-to-whistle' period beginning five minutes before the start of the match and finishing five minutes after the match has ended. The ban excludes horseracing and greyhound racing betting.

With regard to sponsorship in particular, a recent report released on 2 July 2020 by the UK Parliament's upper chamber, the House of Lords, entitled 'Gambling Harm - Time for Action' stated that 'banning the sponsorship of sports shirts and kits, and banning the advertising of gambling on or near sports grounds, would (...) be very beneficial, but it would of course mean that gambling companies would no longer have much incentive to sponsor football clubs'.³⁸

³³ <https://secure.gamblingcommission.gov.uk/PublicRegister/Search/Detail/44662>
Page accessed on 23 March 2020

³⁴ <https://www.lovebet.bet/#/> accessed on 23 March 2020

³⁵ <https://www.betconstruct.com/partners> accessed on 23 March 2020

³⁶ <https://www.chelseafc.com/en/news/2017/06/02/blues-sign-ole777> accessed on 23 March 2020

³⁷ <https://www.haoli777.com/> accessed on 23 March 2020

³⁸ 2020 House of Lords Report, 'Gambling Harm – Time for Action' https://publications.parliament.uk/pa/ld5801/ldselect/ldgamb/79/7910.htm#_idTextAnchor178 at para 503 accessed on 23 March 2020



Recent Notable Betting Sponsorship Cases



The issue of sponsorship by lesser-known non-UK based betting operators has also begun to cause the football clubs themselves a degree of duress. The year 2019 saw a major sponsorship deal with 1xBET being revoked by Chelsea, Liverpool and Tottenham³⁹ amid ongoing questions regarding the operator's conduct with regard to advertisements on illegal streaming and pornographic websites and past reports that it offered odds on prohibited events such as youth football⁴⁰. 1xBET claimed the problematic advertisements were placed by "third party networks, and without our prior knowledge or consent"⁴¹. This in turn highlights another possible risk with betting operators and sponsors regarding the need to regulate the placement of online advertisements to avoid them being used to entice the young or vulnerable.



There is an ongoing dispute between Manchester United, Watford and their 2018/19 sponsor MoPlay⁴² which seeks restitution of moneys owed by a US payday lender via a Georgian firm. MoPlay currently sponsor German side Hertha Berlin and Atlas of the Mexican league this season, and openly utilize the Chinese brand names 千禧城⁴³ or 千禧城娱乐城 which loosely translates as "Millenium City" or "Entertainment City" with the latter being a colloquial Chinese pseudonym for casino.

³⁹ <https://www.liverpoolecho.co.uk/sport/football/football-news/liverpool-suspend-lucrative-partnership-betting-16895241>

⁴⁰ <https://www.thetimes.co.uk/article/premier-league-clubs-accused-over-links-with-betting-firm-sdvw0nwfp?region=global>

⁴¹ <https://www.vegasslotsonline.com/news/2019/08/21/1xbet-responds-to-sunday-times-investigation-in-official-statement/>

⁴² <https://www.bookiesfreebets.co.uk/2019/10/manchester-united-watford-to-sue-for-unpaid-moplay-sponsorship/>

⁴³ <https://www.youtube.com/watch?v=JcwiVQCyENw>



The Kenyan⁴⁴ government recently banned gaming advertisements in an effort to reduce the social impact of betting operators on the population there. Taxation changes which followed led Everton's sponsor SportPesa to pull out of operations in Kenya for a time. News reports suggest there is severe gaming addiction in the young generation and had raised government concern about the social impact of betting. The government has since ordered the deportation of 17 foreign directors of betting firms operating in Kenya⁴⁵ (although this may not be directly linked) and there has been concern there over the ownership structure^{46 47}. The English Premier League continues to be shown on television in Kenya and throughout Africa.



SportPesa's access to the UK market is provided by TGP Europe Limited, another white-label provider licensed by the UKGC.⁴⁸ TGP provides similar white-label services to many operators who sponsor sport, including 12bet, UK-WL, sportsbetio, Yabo, 19bet, and Fun88. Gaming industry reports claim that TGP's ultimate owner is casino VIP room operator Suncity⁴⁹, which is operationally based in Macau and listed on the Hong Kong stock exchange. This may be cause for concern as the Macau casino industry has long been accused of being heavily linked to local Asian organised criminal groups^{50 51}.



As well as facilitating other websites through white-label agreements, Suncity has been reported to directly operate its own betting websites⁵², one of which used to sponsor an EPL club⁵³, through Xela Holdings Ltd, an Isle of Man-licensed company.

⁴⁴ <https://af.reuters.com/article/topNews/idAFKCN1S90K8-OZATP?feedType=RSS&feedName=topNews>

⁴⁵ <https://www.reuters.com/article/us-kenya-gambling/kenya-orders-deportation-of-17-foreign-directors-of-betting-firms-idUSKCN1UC19T>

⁴⁶ <https://www.iafrikan.com/2016/08/26/sportpesas-shadowy-bulgarian-backers-are-betting-big-on-football-in-kenya-and-beyond/>

⁴⁷ <https://www.theguardian.com/football/2019/jul/18/sportpesa-gambling-company-premier-league-kenya>

⁴⁸ <https://secure.gamblingcommission.gov.uk/PublicRegister/Search/Detail/38898>

⁴⁹ <https://calvinayre.com/2014/08/08/business/latvia-regulator-publishes-new-blacklist-sbtech-inks-deal-with-tgp-europe/>

⁵⁰ <https://www.scmp.com/news/hong-kong/politics/article/1921335/shady-dealings-triads-play-major-role-high-rolling-macau-vip>

⁵¹ https://www.academia.edu/36835699/TRIAD_ORGANIZED_CRIME_IN_MACAU_CASINOS_EXTRA-LEGAL_GOVERNANCE_AND_ENTREPRENEURSHIP (T. Wing Lo and Sharon Ingrid Kwok, Feb 8 2016)

⁵² <https://calvinayre.com/2017/02/27/business/suncity-restructuring-philippine-online-gambling-ops/>

⁵³ <https://www.watfordfc.com/club/news-hornets-confirm-138com-shirt-sleeve-deal>

All links accessed 23 March 2020

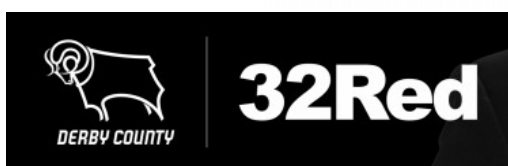


Championship



Although it is the 2nd tier competition in UK, the EFL Championship have attracted overwhelming sponsorship deals from betting. Skybet is the main sponsor for the EFL leagues while 21 of the 24 teams (88%) in the Championship have a least one betting partner in 2019/20 season, half of which are Asian-facing.

Betting sponsors appear on the shirts of 16 teams (67%). West Bromwich signed their first sleeve sponsor deal with 12Bet back in 2017. The most invested business is 32Red, sponsoring a total of 4 teams (Derby, Leeds, Middlesbrough and Preston), with the recent signing of Wayne Rooney wearing number 32 shirt of Derby a talking point, although this may be a pure coincidence.



Spain - La Liga



La Liga draws on average 2 million global viewers per match and is the second most viewed football league in the world. This is appealing to many commercial businesses, especially given the league's popularity in Europe, USA and Asia. Indeed, the league changed its kick off time structure in 2017 with Asian audiences in mind.⁵⁴

There has been a variety of sponsorship positions on La Liga shirts over the last decade, including the front, back, sleeves of the shirt and back of the shorts. The most famous deal related to betting operator in recent years was bwin on Real Madrid shirts between 2007 and 2013, considered one of the most expensive betting sponsorship deals on shirts that time.

More recently there has been significant growth in shirt sponsorship by betting operators.



No. of Betting Sponsors on La Liga Shirts	S16/17	S17/18	S18/19	S19/20
	1	1	5	8





In 2019/20 season:





- 8 of the 20 teams (40%) in La Liga have betting sponsors on shirts
- 19 of the 20 teams (95%) are associated with 11 betting operators
- 14 teams (70%) have a relationship with Asian-facing betting operators

⁵⁴ <https://www.reuters.com/article/uk-soccer-spain-tebas-asia/la-liga-chief-says-kickoff-times-being-changed-to-suit-asian-audiences-idUKKBN16U2DS>



All 3 teams promoted from Segunda Division (Division 2) this season – Osasuna, Granada and Mallorca all have shirt sponsorship deals with betting operators. Betway is the only operator associated with multiple teams shirt sponsorship – Alaves, Leganes and Levante.

Alaves	Granada	Leganes	Levante
			

Mallorca	Osasuna	Sevilla	Valencia
			



Among the 6 betting sponsors on La Liga shirts, betway and MarathonBet are considered Asian-facing using GLMS methodology. Bet365, although not on La Liga shirts, have deals with 8 other teams: Athletic Bilbao, Celta Vigo, Eibar, Espanyol, Getafe, Real Betis, Valladolid and Villarreal. This ensures exposure of the bet365 brand on the official websites, social media, team buses⁵⁵, stadiums⁵⁶ and press conferences⁵⁷ (where many Asian customers would be able to see the brand via live La Liga matches).

⁵⁵ https://www.wikiwand.com/en/Villarreal_CF

⁵⁶ <https://leakblast.com/athletic-bilbao-vs-barcelona-williams-goal-propels-bilbao-to-spanish-cup-semifinal/>

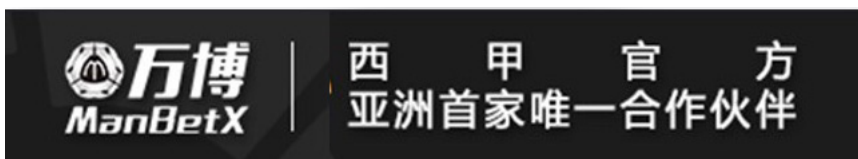
⁵⁷ <https://sportsfinding.com/oscar-more-aggressive-and-more-expulsion-was-bales/20471/>



Two recent high-profile deals involved ManBetX and 1xbet , both operating betting websites in Simplified Chinese target customers in Asia⁵⁸:

- With La Liga, ManBetX has become official betting partner in Asia while 1xbet as media partner (brand logos are shown on both sides of the bye-line next to the goal in pitches of La Liga live matches)
- 1xbet also form official betting partnership with Barcelona⁵⁹ while ManBetX with Real Madrid⁶⁰
- A ManBetX website includes the instruction ("如遇国外IP屏蔽登入，请切换国内IP登入即可") to switch your domestic IP login if blocked.

These partnerships have seen the two Asian-facing betting brands appearing in many La Liga matches and marketing materials to target Asian audiences, especially in China.



⁵⁸ <https://manbetx1988.com/>

⁵⁹ <https://www.fcbarcelona.com/en/news/1263451/fc-barcelona-adds-1xbet-as-a-new-global-partner>

⁶⁰ <https://www.igamingbusiness.com/news/manbetx-becomes-real-madrid-s-asian-partner>

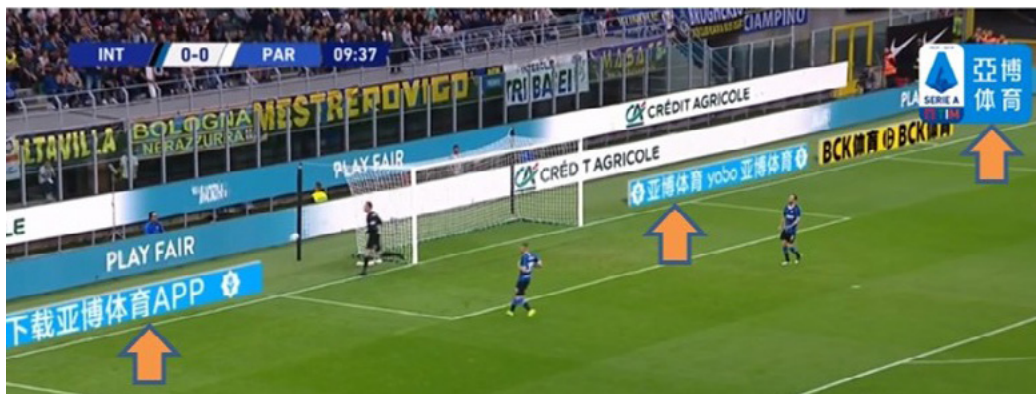
Italy - Serie A



Notable sponsorship in the last decade was the deal between Eurobet and Palermo between 2010 and 2013. Marathonbet sponsored Lazio in 2018/19 season and it was the only betting brand appearing on Serie A shirts⁶¹ in that season. But the deal was cut short after just a year following a ban on gaming advertising in 2019. After this new legislation, none of the Serie A shirts are sponsored by betting operators in 2019/20 season.

However, the league itself is sponsored by Asian-facing operator Yabo Sport, which provides Yabo with brand exposure through match graphics, idents and virtual goalmouth advertising in all live Serie A matches broadcast in Asia⁶².

Yabo had been working with clubs (Manchester United, Leicester City, Bayern Munich, Hertha Berlin and Monaco) and national teams (Argentina), but this is the first league-wide deal. Yabo operate betting websites through Isle of Man-registered, UKGC-licensed TGP Europe Limited. Its websites and services are Asian-facing, in Simplified Chinese only targeting customers in China and Asia. Apart from offering sports betting, live casino, eSports, chess games, lottery and online video games are among the services presented in Chinese. On top of the main website yabo.com, a number of mirror sites and alternative apps are available for customers in Asia, plus a wide range of payment solutions such as Alipay and Wechat Pay which are also available in China.



⁶¹ <https://thelaziali.com/2019/07/13/marathonbet-lazio/>

⁶² <https://calvinayre.com/2019/03/20/press-releases/yabo-sport-named-international-presenting-sponsor-asia-for-serie-a/>



On team level, Inter Milan has pushed to grow its profile in Asia and has been partnering with many local companies in China in recent years, including electronics, credit card, watches, supply chain and household brands. In 2018, Inter Milan started a multi-year deal with Philippines-based betting firm LeTou, as their first online gaming partner in Asia⁶³.

LeTou (translated into Chinese as "happy to bet") is also a company under TGP Europe who first entered shirt sponsorship with then-EPL team Swansea⁶⁴ in 2017. The betting websites of LeTou are presented in English and multiple Asian languages (Simplified Chinese, Thai and Vietnamese). Their main website 888letou.com plus many mirror sites are mainly for Asian customers while their English services on letou.co.uk⁶⁵ have been re-directed to betvision.com.

⁶³ <https://sbcnews.co.uk/marketing/2018/08/08/filipino-betting-firm-letou-announced-inter-milan-sponsor/>

⁶⁴ <https://insidersport.com/2019/06/26/paul-fox-letou-the-benefits-of-sponsoring-an-elite-european-football-club/>

⁶⁵ <https://letou.co.uk/>

last accessed on 23 March 2020

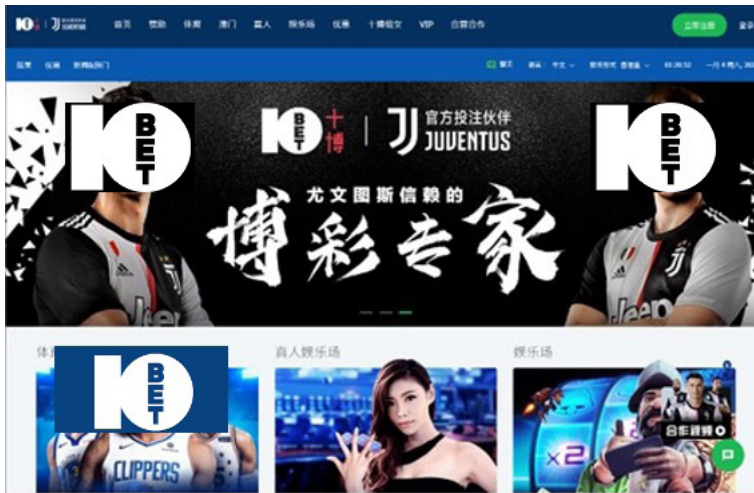


Another significant betting sponsorship deal in Italy was the partnership between Juventus and 10bet from 2019/20 season⁶⁶ for three years, focused on promoting the brand outside Italy.

10bet, licenced in Malta, also sponsors Blackburn in England. Its primary website 10bet.co.uk is in English only, while 10bet.com is in English and German, both with no option to switch into Asian languages. However, Simplified Chinese services of 10bet are available on mirror website 10bo1111.com, where sports betting, casino games, and various new coverage and images of Juventus are available to Chinese customers.

Other new deals in Serie A in 2019/20 season saw JBO⁶⁷ with Bologna and All Win City⁶⁸ with Roma, forming official betting partner in Asia. Both betting operators are Asian-facing with primary website content in Simplified Chinese and payment solutions targeting customers in China.

Although there is a ban on gaming advertising in Italy⁶⁹, this has not dissuaded betting operators from partnering with teams and even the league itself. None of the operators mentioned above are accused of acting illegally, but there is, as always, the risk that such partnerships may aim to market to customers in Asian countries where betting is prohibited.



⁶⁶ <https://www.gamblingnews.com/news/10bet-signs-biggest-soccer-partnership-with-juventus/>

⁶⁷ <https://www.bolognafc.it/en/bologna-lands-in-asia/>

⁶⁸ <https://www.asroma.com/en/news/2019/8/awcbet-com-join-as-regional-betting-partner>

⁶⁹ Decree Law no. 87 of 12 July 2018 (the "Dignity Decree"), which entered into force on 1 January 2019

Germany - Bundesliga 1



In past seasons, bet-at-home.com was the only main shirt sponsor for Hertha Berlin between 2015 and 2018. There was no betting sponsor on shirts in 2018/19 season.

In 2019/20 season, Sunmaker is the main sponsor on the shirts of Paderborn while sleeve sponsorship deals were with TouTou (Werder Bremen) and QQ288 (Mainz). Although there are only a small number of betting sponsors appearing on Bundesliga 1 shirts, all 18 teams in the league (100%) are associated with betting/gaming partners via other forms of sponsorship.

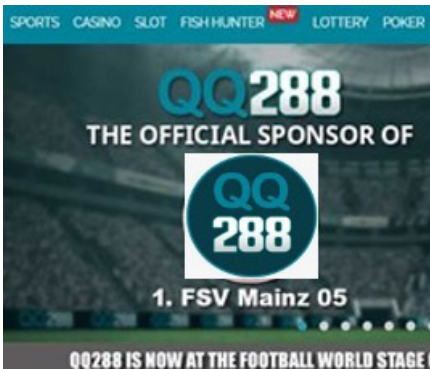
- There are around 23 betting operators affiliated with all 18 teams in the league
- 10 of them (43%) are considered as Asian-facing (with brands / marketing materials / website targeting Asian customers), while the rest are state-owned operators



**OFFICIAL SLEEVE PARTNER
& OFFICIAL GAMBLING PARTNER IN ASIA**
SV WERDER BREMEN EXCLUSIVE SPONSORSHIP



HEJI18 entered as the Asian gaming partner of Werder Bremen⁷⁰ in 2017. It claimed to have licenses from Philippine CEZA and First Cagayan. However, it should be noted that on 22 March 2020, its website heji18.com is no longer accessible⁷¹ and there is the risk that it might only rely henceforth on mirror sites to support target customers in Asia, although this has not been proved. Communication materials of heji18 in Simplified Chinese also propose to customers to register with TLCbet (tlcbet.co.uk) for further betting services.



QQ288, licensed in the Philippines (PAGCOR), was announced sleeve sponsor of Mainz⁷² in early 2019. It appears to be targeting customers in Asia with website services in multiple Asian languages - Simplified Chinese, Malay, Indonesian, Thai, Vietnamese and Korean, where online betting are illegal in these jurisdictions. The website of QQ288 is geo-blocked in Germany, and in some Asian countries. Therefore, mirror sites would be important to allow them to reach the target customers in Asia.

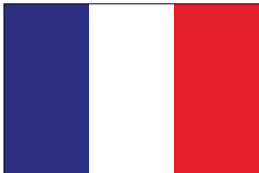
The trend of growth could be observed as a new betting licensing process is expected to be introduced in Germany in 2021, paving way for more sponsorship deals from betting operators.

⁷⁰ <https://www.werder.de/aktuell/news/business/20172018/heji18-wird-co-sponsor-03072017>

⁷¹ Last attempted access on 23 March 2020

⁷² <https://www.mainz05.de/en/news/mainz-05-presents-new-sleeve-sponsor/>

France - Ligue 1



In 2019/20 season:

- 17 of the 20 teams (85%) are associated with 13 different betting partners
- 3 of them are considered Asian-facing (PSG with Lovebet, Monaco with Yabo and Lyon with Bob Sports⁷³)
- Only 1 team shirt is sponsored by betting - Montpellier with PASINOBT.fr



⁷³ <https://www.ol.fr/en/contents/articles/2019/01/17/l-olympique-lyonnais-signe-un-partenariat-avec-bob-sports-pour-l-asie>

Netherlands - Eredivisie



In 2019/20 season:

- None of the team shirts are sponsored by betting operators
- The Eredivisie itself as well as 13 of the 18 teams (72%) partner with local charitable lottery Vrienden Loterij

Ajax, who also associates with Vrienden Loterij, was partnering with an Asian-facing betting operator KB88 in 2017/18 and 2018/19 season⁷⁴ as exclusive official Asian betting partner for Ajax.



⁷⁴ <https://english.ajax.nl/streams/ajax-now/kb88-official-asian-betting-partner-of-afc-ajax-.htm>

Ireland



Sportpesa is an official partner of the Irish Football Association (FAI), while some of the teams in the league in 2019 were sponsored by gaming companies⁷⁵ (Bohemians – sportsbook Mr Green; Waterford United – online casino Spin).

Investigations into alleged match fixing in some League of Ireland matches were conducted in Sep 2019 regarding bets made on teams losing matches by a specified number of goals⁷⁶. As of April 2020, an investigation is underway concerning unusual betting patterns in matches suspected of deliberate fouls to ensure the required losses took place.

⁷⁵ <http://sportforbusiness.com/sponsorship-round-up-for-the-sse-airtricity-premier-league-clubs/>

⁷⁶ <https://www.rte.ie/news/2019/0904/1073668-match-fixing/>

TREND OF GROWTH OF BETTING SPONSORS IN ELITE BASKETBALL COMPETITIONS

EuroLeague (Basketball)



**EUROLEAGUE
BASKETBALL**

EuroLeague is sponsored by different European-based betting operators including bwin, BetVictor, Winline and Nesine. There are 11 different betting operators involved in partnerships with EuroLeague teams, and only 2 of them (1xbet and ManBetX) are considered Asian-facing. Similar to the deals in football, 1xbet is associated with Barcelona while ManBetX with Real Madrid as official betting partner. 1xbet also sponsors Russia's Zenit Saint Petersburg in EuroLeague Basketball.

3 teams have betting operators as shirt sponsors: Olympiacos (Greece) – bwin; Panathinaikos (Greece) – STOIXIMA; and Kirolbet Baskonia (Spain) – none of which are considered Asian-facing.



NBA (Basketball)



There are no betting sponsors on any NBA shirts. Other forms of partnership with the betting industry only began from 2018 after new US legislations on gaming were adopted⁷⁷. 13 of the 30 teams (43%) have partnered with betting operators mainly in the US. However, this may change in coming years given NBA's significant fan base in China.

Boston Celtics	<ul style="list-style-type: none"> • Massachusetts Lottery • Mohegan Sun Casino 	Brooklyn Nets	<ul style="list-style-type: none"> • FanDuel • New York Lottery
Charlotte Hornets	<ul style="list-style-type: none"> • NC Education Lottery • Aria Resort and Casino (IR) 	New York Knicks Philadelphia 76ers	<ul style="list-style-type: none"> • Draft Kings
Los Angeles Lakers	<ul style="list-style-type: none"> • MGM Resorts • Penchanga Resort & Casino 	Minnesota Timberwolves	<ul style="list-style-type: none"> • Treasure Island Resort & Casino
Memphis Grizzlies	<ul style="list-style-type: none"> • Southland Casino Racing • Goldstrike Casino Resort • Tennessee Lottery 	New Orleans Pelicans	<ul style="list-style-type: none"> • Harrah's New Orleans • Louisiana Lottery • Scarlett Pearl Casino Resort
Los Angeles Clippers	<ul style="list-style-type: none"> • Agua Caliente Casinos 	Oklahoma City Thunder	<ul style="list-style-type: none"> • Riverwind Casino
Phoenix Suns	<ul style="list-style-type: none"> • Casino Arizona Talking Stick Resort 	Sacramento Kings	<ul style="list-style-type: none"> • Cache Creek Casino Resort • MGM Resorts

In short, there is an increased trend of betting sponsors on elite football and basketball competitions. Due to their involvement in various forms of partnerships – being the league sponsor, official betting partners in regions, media partner, or shirt sponsors of any kind, their influence over teams and even the competition itself could increase too. This illustrates how betting operators exploit partnership with sports clubs and leagues to market to customers in Asia. While betting sponsors may be extremely lucrative for sports teams, it is crucial for all governing bodies of sports and teams to increase awareness of the potential associated risks and vulnerabilities that may arise if left unregulated.

Although it may be felt that integrity risks due to such betting partnerships are low in top-flight sport because of the sums of money involved, this may not be the case in lower-tier competitions and this is an area for further study.

⁷⁷ On May 14, 2018, the US Supreme Court issued its long-awaited decision in *Murphy vs. NCAA*, which centered on states' rights to regulate sports betting. By a 6-3 vote, the court overturned the Professional and Amateur Sports Protection Act (PASPA), the federal ban which stood since 1992. It's officially off the books, and states are free to legalize and regulate the industry at their discretion <https://www.legalsportsreport.com/sports-betting/> powered by Legal Sports Report © 2020. Accessed on 14 March 2020 https://www.supremecourt.gov/opinions/17pdf/16-476_dbfi.pdf

4 CURRENT REGULATION

1

2

3

4. CURRENT REGULATIONS

Below is a snapshot of some of the recent regulations.

Fewer Regulations / Restrictions on Betting Sponsorship and Marketing

UKGC and the FA



There are fewer gaming-specific advertising rules in place on football shirts and perimeter betting advertising. Betting can be promoted as long as it is licensed in the UK by the Gambling Commission (UKGC). Regulations currently allow betting websites not directly licensed by the UKGC to operate and advertise in the UK by partnering with UKGC-licensed so-called 'white label' providers. Amidst the COVID-19 outbreak, remote operating licence holders are also reminded of their obligations when operating gaming websites, including white labelled sites⁷⁸. The responsibility for compliance sits with the licence holder and cannot be transferred to any other party. Failure to ensure the following may bring into question the suitability of an operator to hold a licence:

- a licensee's business is conducted in a way which minimises the risk to the licensing objectives; and
- their Licence Conditions and Codes of Practice (LCCP) are being complied with

Licensees are encouraged to know their customers and be able to demonstrate knowledge, oversight and proactive interactions. Reference is also made to the Social Responsibility Code Provisions⁷⁹.

UKGC have stated the following rules⁸⁰ on gaming related marketing and advertising, where advertising of gaming products and services must be undertaken in a socially responsible manner, and must not be targeting to or featuring young people (e.g. under 25s):

- brand / adverts or sponsorship links do not appear in the junior sections of football clubs' websites
- do not allow gaming logos or related promotional material to appear on any commercial merchandising (e.g. replica shirts) which is designed for use by children
- the Football Association (FA) require that in the case of teams comprising players all under the age of 18, that gaming logos do not appear on any item of kit or clothing

⁷⁸ Reminder to licensees regarding white label gambling websites – published by UK Gambling Commission <https://www.gamblingcommission.gov.uk/for-gambling-businesses/Compliance/Sector-specific-compliance/Remote-and-software/White-label-gambling-websites.aspx>

⁷⁹ Social Responsibility provisions of the UK Gambling Commission <https://www.gamblingcommission.gov.uk/for-gambling-businesses/Compliance/General-compliance/Social-responsibility/Social-responsibility.aspx>

⁸⁰ <https://www.gamblingcommission.gov.uk/for-gambling-businesses/Compliance/General-compliance/Social-responsibility/Advertising-marketing-rules-and-regulations.aspx>

UKGC and the FA



The only items specifically forbidden from being advertised on kits by the Football Association are tobacco products⁸¹. Other than that, any sponsorship is fine, so long as it doesn't display a "distasteful, threatening, abusive, indecent, insulting, discriminatory or otherwise ethically or morally offensive message, or any political message"

IOC Recommendations



Recommendations⁸² by the International Olympic Committee (IOC) for sports entities before entering into commercial agreement with betting operators include:

- Consider the legality / integrity of the betting operator
- Allow the exchange of information to safeguard the integrity of sports
- Ensure no common interest and ownership / no influence on sports decision
- Prevent conflict of interest and misuse of inside information

More importantly, the recommendations seek to ensure that the operator is licensed and regulated under the applicable laws of where the target consumers are located. The IOC is also currently reviewing and updating a number of related documents for publication in the near future.

⁸¹ FA Handbook 2019-2020 page 248, "The appearance on, or incorporation in, any item of Clothing, Football Boots or Other Equipment of any distasteful, threatening, abusive, indecent, insulting, discriminatory or otherwise ethically or morally offensive message, or any political or religious message, is prohibited. The Advertising of tobacco products is prohibited." The Football Association, Wembley Stadium.

⁸² HANDBOOK ON PROTECTING SPORT FROM COMPETITION MANIPULATION – IOC and INTERPOL published May 2016 <https://stillmed.olympic.org/media/Document%20Library/OlympicOrg/IOC/What-We-Do/Protecting-Clean-Athletes/Betting/Education-Awareness-raising/Interpol-IOC-Handbook-on-Protecting-Sport-from-Competition-Manipulation.pdf>

Recent Legislation in Italy

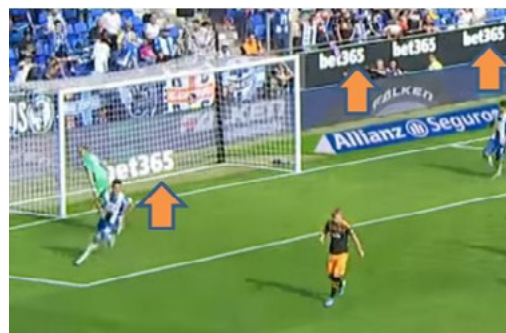
With the aim of reducing gaming addiction and increasing the protection of bettors, gaming advertising and relevant sports sponsorships (including gaming brands appearing on the shirts of a team) have been banned in Italy since 2019⁸³, while the national lottery operated by the government is exempted from this legislation⁸⁴.

Licensing and Sponsorship Regulations

Marketing and promoting betting in Asia are generally banned. Therefore, sponsorships of popular teams in the EPL or La Liga, which are broadcast all over Asia and the world, serve as highly effective alternative marketing and advertising platforms for Asian-facing betting websites.

In general, a betting operator who wants to sponsor a team in Europe must comply with the gaming regulations of the country in which that team is based. In most jurisdictions covered in this analysis, such as the UK⁸⁵ or France, a betting operator must be licensed by the national gaming regulator to advertise or sponsor teams there. In Spain, a foreign online operator can operate and advertise in the country but must have equivalent licensing elsewhere in the European Economic Area.

Other than being official betting partners with the football clubs and shirt sponsorships, betting advertising is ubiquitous at matches along pitch-side hoardings and is visible during many global broadcasts, with one study showing more than 75%⁸⁶ of EPL airtime (over 25,000 hours) in the 2016/2017 EPL season, including a gaming sponsor in some form or another.



⁸³ <https://www.igamingbusiness.com/news/italys-agcom-sets-out-scope-gambling-advertising-ban>

⁸⁴ <https://calvinayre.com/2018/08/10/business/gambling-advertising-italy-officially-dead/>

⁸⁵ <https://www.gamblingcommission.gov.uk/for-gambling-businesses/Compliance/General-compliance/Social-responsibility/Advertising-marketing-rules-and-regulations.aspx>

⁸⁶ <https://osf.io/preprints/socarxiv/f6bu8> - last accessed on 14 April 2020. "Frequency, duration and medium of advertisements for gambling and other risky products in commercial and public service broadcasts of English Premier League football" by Rebecca Cassidy and Niko Ovenden. Submitted on August 10, 2017, last edited on July 02, 2018, at page 13



5 CONCLUSION

5. CONCLUSION

Risks related to Unregulated Sponsorship

There is an increasing trend of betting sponsorships on sports – on shirts, at stadiums, in marketing materials and being affiliated betting partners of the teams and even the competitions. The growth of these sponsorships, as evident in the elite football and basketball competitions, might bring short-term financial gains to the teams. However, integrity risks and impacts might arise when the unregulated betting operators could ride on sponsorships or marketing deals to advertise their brands and products in overseas markets where betting is illegal and advertising of it may be restricted.

Online illegal betting platforms are increasingly sophisticated, the 'face' of illegal operators is becoming legitimized through sponsorships of sports teams. It also involves offshore betting conducted by non - or low - tax paying and unregulated operators, leading to confidence and integrity in sports being compromised. If any of the betting sponsorships are linked to illegal operators, illegal betting or organised crime, it could also damage reputation and public trust in sports and sports development is stunted.

Though many examples are given in this study, there is a myriad of other companies who went unnamed yet whose intentions as sponsors seem fairly overt, yet whose current structure may not be in breach of any specific laws. Notwithstanding this, the study highlights that the issue of betting sponsorship is fraught with problems and a complete review should be undertaken which may go further than just the examples quoted here. There is, for example, a significant risk of over-exposure to sports gaming in Africa a continent which is an active target for sponsors today. There are similar areas of weakness throughout the laws and regulations governing sport that could and likely would be exploited if left unresolved.

Betting sponsorships have become prevalent in many of the world's top sports competitions. This could bring positive financial gain, however, teams and official governing bodies should carefully review and consider the potential sporting integrity, reputational and financial crime risks by association with non-local or "grey-market" operators who are potentially less reputable. In order to minimise the negative impacts to sports as a whole, they should also review their policies and rules towards betting operators and relevant commercial partnerships, especially those targeting overseas customers.

Association with such operators also raises sports integrity risks. The huge Asian betting markets facilitate illegal betting, match-fixing, corrupting sport - this clearly leaves sports and teams who profess to cherish sports integrity open to accusations of hypocrisy.

Moving Forward

Sports governing bodies and teams need to carefully understand the differences between well-regulated betting operators and those operating in unregulated markets. Extensive due diligence into the background of such operators should be conducted to ensure teams are not inadvertently promoting companies connected to illegal betting, organised crime and/or money laundering. Displaying a license from a betting regulator should be the minimum standard in addition to other proof of effective due diligence being undertaken by regulators in order to avoid criticism or eventual fines and sanctions for Anti-Money laundering failings.

There are actions that sports governing bodies, teams and regulators have already been engaging in order to minimise risks. Many are carrying out these actions already and this study simply illustrates the various acts that are already ongoing or could be undertaken.

In short, betting sponsorships have become more prevalent in popular sports competitions. The awareness of relevant official governing bodies of the risks must continue. A risk mitigating activity may be to monitor whether the increasing trend of betting sponsorships cause negative impacts to the sports itself, to match integrity and any related social problems such as illegal gaming. More regulated measures such as those proposed in the Macolin Convention would help official governing bodies protect the confidence and integrity in their sports. GLMS could collaborate with the official governing bodies of sports to assess these potential partners and advise on potential risks.

The global gaming industry is a behemoth of cash, fintech and fiat currency transactions. The sheer volume and multitude of options is currently believed to be enabling illicit activities such as money laundering, although all of this has not always been easy to prove, especially without a coordinated effort. While there are sizable profits to be made, this enterprise will continue if left lightly regulated and lightly monitored. There is a myriad of measures that need to be taken globally by all jurisdictions in addition to the work already being done, but the open access to publicity that is offered by live sport is one avenue that can be closed easily to prevent the problems⁸⁷ snowballing beyond Asia and allowing it to become a societal norm in Africa and elsewhere.

Further, while the EPL and other leagues mentioned herein are not at significant risk of match manipulation due to the wages of players, such powerful leagues have a duty to protect the integrity of the game, which includes providing resistance⁸⁸ to the murky world of online gaming where match fixers are known to perform their business. They have already made considerable efforts, through regulations and monitoring and in order to match the technologically advanced criminal influences, a coordinated approach, through prevention activities, legislation and co-operation across stakeholders such as those through national platforms needs to be supported and enhanced.

⁸⁷ <https://www.oxfordeconomics.com/recent-releases/impact-of-illegal-gambling-in-hong-kong> (Andrew Tessler, Kareen El Beyrouty and Natasha Crapnell, Oxford Economics April 2016)

⁸⁸ https://www.iris-france.org/wp-content/uploads/2017/06/PRECRIMBET_2017_FINAL.pdf (Preventing criminal risks linked to the sports betting market, by the French Institute for International and Strategic Affairs (IRIS) June 2017)

6

RECOMMENDATIONS

6. RECOMMENDATIONS

THE RELEASE OF THIS STUDY COMES WITH THE FOLLOWING NON-EXHAUSTIVE RECOMMENDATIONS BASED ON THIS STUDY:

1. Global and national sports bodies should be encouraged to implement rules governing betting sponsorships in addition to those provided by national betting industry regulators. Official governing bodies of all sports should review and set their own rules on sponsorships and marketing involving betting operators and non-local sponsors, while conducting their own due diligence regularly to ensure compliance. Public authorities may support the establishment of such rules. (article 10 Macolin Convention).
2. Betting operators who advertise, or display services for use in countries where betting is illegal, or where that operator is not a legitimate operator as per the national legislation, should not be permitted to enter into sponsorship agreements with any sports team or organisation globally.
3. Betting operators with appropriate licences in a specific jurisdiction, or those that pay tax in that jurisdiction, and do not offer mirror websites (and further actively seek to prevent them) should be unencumbered from entering in to sponsorships within that same jurisdiction.
4. Any form of display or labelling in stadiums or on shirts should be permitted only in appropriate local languages or forms of text. For example, if the operator is licensed in France, all communications should be in French language or in accordance with the national legislation (in France, the Sports Code and other relevant Codes).
5. A proportion of any betting sponsorship fee should go towards either local sports development or integrity education for staff (playing or otherwise) of the entity being sponsored.
6. The relevant authorities should investigate the agents and agencies who are arranging and have arranged such betting sponsorship deals with football clubs over the last decade to support and facilitate the fight against corruption in sport.
7. Authorities should be exceedingly wary of companies with licenses or head offices in light-touch national regulatory frameworks, i.e. countries which have been traditionally associated with issuing licenses to circumvent laws in other jurisdictions, especially with regard to legal market monopolies.
8. It should be strongly encouraged to require betting sponsors who qualify according to the above criteria to make long term commitments to clubs and up front financial commitments to sport to avoid the use of sponsorship as a short term client acquisition tool.
9. Penalties should be considered for clubs found to be in breach of betting sponsorship rules.
10. Awareness raising programs should be put in place for administration of competition organisers and team sponsorship employees to better understand the various risks.

Other Considerations

- a. It continues to be the case that the global implementation of restrictions around payment systems and online advertisement of betting sites by governments, internet service providers, banks and authorities globally needs to be strengthened to support the fight against illegal betting and the manipulation of sports events.⁸⁹
- b. Countries and areas with systemic gaming problems, illegal or otherwise, should seek the assistance of the UK Gambling Commission in dealing with these social issues as a leverage position when negotiating trade deals with the UK after the completion of Brexit.
- c. Cap on Number of Sponsored Teams – local governing bodies should consider imposing a cap limiting the number of sports teams an operator can sponsor or affiliate within their own jurisdiction.

Following recent publicity regarding bookmaker streaming deals in the UK, GLMS wishes to make it clear we support this practice by bookmaking operators who are fully compliant with the prevailing laws in the jurisdictions from which they are accepting bets. However, sports authorities should consider requiring their commercial partners in such cases to divulge information on whom they sell to and in which territories to further strengthen the fight against illegal operators, in respect of data privacy rules (such as the respective national Data Protection Act, or the Data Protection Convention of the Council of Europe CETS 108+, GDPR)⁹⁰. For example, if a global media license is sold to a bookmaker this would be aiding and abetting illegal activity in many jurisdictions.

Final Remarks

Official governing bodies and teams should carefully weigh up the pros and cons of having their valuable brands associated with potentially disreputable partners, especially the grey- and black-market betting operators, and conduct extensive research into potential partners to avoid such risks.

While this study focuses on the impact of sponsorship and makes recommendations for regulating that element, it is also clear that the gaming industry as a whole is one that merits wider scrutiny from governments, investigative authorities, internet service providers, technology firms and many others besides. Today, some operators are able to layer their business interests to avoid infringement while simultaneously seeking to attract betting losses from some of the poorest people in the world. In the future, it is hoped that more efforts can be made across the breadth of society to curb these activities.

Other than our continuing work in support of match integrity, GLMS, in its mission to safeguard sport integrity, is available in an advisory role to any official governing body on how sponsorship rules could be created or updated, or regarding any individual sponsorship deals related to betting operators to advise on appropriateness and potential implications.

⁸⁹ <https://calvinayre.com/2019/01/16/business/russia-blocked-130k-online-gambling-domains-2018/>

⁹⁰ Convention for the Protection of Individuals with regard to Automatic Processing of Personal Data of the Council of Europe <https://www.coe.int/en/web/conventions/full-list/-/conventions/treaty/108>

7

ABOUT GLMS

7. ABOUT GLMS

GLMS is the state lotteries' mutualized monitoring system on sports betting. It aims at detecting and analyzing suspicious betting activities that could question the integrity of a sport competition. Building on six years of experience with the establishment in 2009 of ELMS with European Lotteries, GLMS went global in January 2015 extending the network to other continents. GLMS facilitates the sharing of sports betting information as part of the collective efforts of its members in ensuring sports integrity globally and is dedicated to effective cooperation with all key stakeholders: regulators, law enforcement authorities, sports organizations. In addition to its three 24/7 monitoring hubs in Asia, Europe and North America, GLMS also engages with its members in the areas of education, prevention and legal services, involvement in topical projects and relevant policy-making initiatives.

GLMS currently has:

32 Individual Members from 4 continents

- **Africa:**
La Marocaine des Jeux et des Sports, Morocco, Loterie Nationale du Sénégal – Senegal
- **Asia:**
China Sports Lottery – China, Hong Kong Jockey Club – Hong Kong, Singapore Pools – Singapore, Ktoto Co – South Korea
- **Europe:**
Österreichische Lotterien - Austria, Loterie Nationale – Belgium, Hrvatska Lutrija – Croatia, SAZKA – Czech Republic, Danske Spil – Denmark, Veikkaus – Finland, La Française Des Jeux – France, Opap SA – Greece, Szerencsejatek – Hungary, Islenk Getspa – Iceland, Israel Sports Betting Board - Israel, Lottomatica – Italy, Sisal – Italy, Maltco Lotteries Ltd – Malta, Norsk Tipping – Norway, Santa Casa De Misericordia da Lisboa – Portugal, STOLOTO – Russia, Sportna Loterija – Slovenia, Svenska Spel – Sweden, Loterie Romande – Switzerland, Swisslos – Switzerland, Nederlandse Loterij, The Netherlands
- **North America:**
Loto-Québec- Canada, OLG – Canada
- **South America:**
Polla Chilena de Beneficencia – Chile, Banca de Quinielas de Montevideo – Uruguay

2 Collective Members: European Lotteries Association (EL) and World Lottery Association (WLA)

5 Associate Members: IGT, INTRALOT, ODDSET GmbH, Scientific Games International (SGI), Sporting Solutions



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