

# **GAMING COMMISSION OF GHANA**



## **Africa's Sports Betting Boom: Opportunities and Regulatory Challenges.**

**Presented by:** Abena Osafo-Mensah,  
Deputy Director, Licensing and Registration  
Gaming Commission of Ghana

**Date:** 3<sup>rd</sup> April 2024

**Venue:** 2024 GRAF Conference, Durban, South Africa



# PRESENTATION OUTLINE

---

- Introduction
- Overview of the sports betting market
- Factors that drive the growth
- Opportunities
- Regulatory Challenges
- Conclusion



# INTRODUCTION

---

- The sports betting industry has seen tremendous growth in Africa within the last decade.
- The growth has been propelled largely by a shift from a shop-based betting experience to an online-based industry.
- A recent poll conducted by Geopull in Nigeria, Ghana, Kenya, Uganda, Tanzania, and South Africa showed that more than 72% of the participants had placed a bet on sports at some point in their lives.



# Factors that drive the growth

---

1

The proliferation of smart mobile telephones and the increase in the penetration of the internet across Africa

2

The popularity of the major football leagues such as European soccer leagues, especially the English Premier League and the European Union of European Football Associations (UEFA) Champions League

3

The recent legalization of betting in parts of Africa though not all African countries with lenient gambling laws due to the slow uptake of legalizing betting has given rise to the growth in Africa



# OPPORTUNITIES

---

## Tax revenue for the government

- It is estimated that the gaming industry is worth billions of dollars in Africa. The industry remains a viable source of tax revenue for governments in Africa.
- In Ghana, within the last ten years, the number of licensed operators has increased from six (6) to thirty-four (34).
- Between 2019 and 2022 the government of Ghana collected GHS450m (approximately USD45m) in direct taxes from the gaming industry.
- At present, the government is leveraging on revenue accruing from the gaming industry to shore up domestic revenues as it deals with the economic crisis.



# OPPORTUNITIES

---

## Promoting local football league

- The Sports betting industry has also provided tremendous support to the development of the local football league in Ghana.
- Within the last five years, sports betting operators in Ghana have provided headline sponsorship for at least eight (8) Ghana Premiere League teams.
- In addition, one operator in Ghana is currently in the second year of a five-year deal to sponsor the entire Ghana Premier League.



# OPPORTUNITIES

---

## Technology Growth

- The industry has direct integration into many aspects of the economy such as FINTECH and financial inclusion because it relies on the mobile money ecosystem.
- The reliance on FINTECH by sports betting operators has sparked an interest in the African youth to start developing software to power the various online games that are offered by operators across the continent.
- The use of mobile money accounts as the basic requirement to engage in online betting has driven many people to open mobile money accounts.
- In Ghana, in 2020 the sports betting industry alone accounted for more than 50% of all new mobile money subscriptions. This greatly supported the government of Ghana's agenda of progressively moving to a cash-lite society.



# OPPORTUNITIES

---

## Employment

- The industry has also proved to be a source of employment for many of the African youth therefore positively affecting the youth unemployment rate in Africa.
- In Ghana, the average age of employees working in the sports betting industry is below 30 years.





# REGULATORY CHALLENGES

---

- Despite the many opportunities, for many countries in Africa, the phenomenal growth in the sports betting industry also poses significant challenges.
- There are many negative externalities that are associated with the betting industry in Africa ranging from:
  - ❖ underage gambling;
  - ❖ money laundering;
  - ❖ capital flight; and
  - ❖ gaming addiction.



# MAXIMIZING BENEFITS THROUGH EFFECTIVE REGULATION

---

- Since the industry is still nascent in Africa, regulatory efforts are far wide and in between.
- For instance, regulation in the area of tax policy has been varied throughout the continent. For some, it would appear that tax policy is aimed at maximizing tax revenue whereas others appear to use taxation to minimize the proliferation of betting services.
- In the licensing regime, some appear to regulate the number of operators whereas others appear to allow open competition. Then there is the issue of indigenization and local content.
- Should regulators develop policies to encourage local content and local participation as a way of breaking the near monopoly of foreign-based non-African operators?



# MAXIMIZING BENEFITS THROUGH EFFECTIVE REGULATION

---

- As regulators, these are the issues that we are confronted with daily. How do we calibrate our regulatory efforts in a way to maximize the benefits for the state while minimizing the negative externalities associated with the gaming industry?
- In Ghana, the speed with which the industry has moved online has made it difficult for the Gaming Commission to keep up with the developments in the industry, especially in the face of budgetary constraints.
- The Gaming Commission of Ghana has found in GHASBO (Sports Betting Gaming Operators Association) a worthy partner to drive the regulatory agenda of the Gaming Commission in Ghana.
- This collaboration has been helpful in sanitizing the sports betting industry through joint vigilance efforts drive home the principle that operators can collaborate to compete within the sports betting industry



# FRAGMENTED REGULATION

---

- In Ghana, the regulation in the industry is fragmented with different regulatory agencies having jurisdiction over different aspects of the operations of sports betting operators.
- The myriad of regulators in the field sometimes creates confusion and increases the propensity of turf wars within the different regulatory authorities.
- However, any confusion or disagreement between regulatory authorities is likely to be exploited by operators to their advantage.
- There is therefore the need for maximum cooperation and collaboration between and across the different regulatory agencies to ensure that there are no gaps in the regulatory space. In Ghana, the Gaming Commission has actively worked with the different stakeholders in the regulatory space to ensure that there are no cracks that will be exploited by operators.



# CONFLICTING REGULATORY GOALS

---

- Despite regulatory collaboration within the space, there are still significant issues that confront the industry.
- For instance, in Ghana, the central government's policy towards the betting industry has been to maximize revenue collection from the industry.
- This policy has not always been in line with the mandate of the Gaming Commission which has also been to minimize the ills that confront the proliferation of the sports betting industry.
- Thus, the pressure to drive the growth of the industry in order to increase the domestic tax revenue will imply granting more licenses for betting and related activities
- Therefore to help deal with such policy incoherence, there is the need for the harmonization of policy goals across regulators so that their efforts are not at cross purpose.



# UNDERAGE GAMBLING

---

- One of the problems that the Gaming Commission of Ghana has had to deal with is the issue of underage gambling.
- About 10 years ago, the sports betting industry was largely retail with operators operating multiple shop or betting experience centers throughout the country.
- It was not unusual to find children hanging around such betting shops and participating in the actual betting.
- The Commission came down heavy on operators and insisted on sanitizing the industry to rid it of underage gambling.
- Operators responded by introducing various age verification methods before being admitted into sports betting shops.
- Today, 80% of the sports betting industry in Ghana is online. with the move of the industry towards online gaming space the Commission saw a natural way of permanently dealing with the issue of underage gambling.



# UNDERAGE GAMBLING

---

- The online ecosystem is designed to as much as possible keep away children from gambling because money deposit and withdrawals begin and end with mobile money transaction which requires a holder to be 18 years old.
- Despite this, currently, in Ghana, research has shown that the reliance of some parents on their children to operate their mobile money account has allowed these children on the blindside of their parents to use their money to gamble.
- The Commission is liaising with relevant stakeholders to drive awareness and education for parents, especially mothers to monitor the use of their mobile money accounts with the view to keep children away from online betting.



# GAMING ADDICTION

---

- Although some operators in Ghana have invested in highly sophisticated computer analytics software to identify irresponsible gaming on its platforms, there is still a lot more to be done.
- Some punters now view sports betting as a business and therefore gamble irresponsibly.
- Sports betting is just for the love of the game of sports. It is meant to be an entertainment for players and not a business. However, it is fast becoming a menace as the number of young adults gambling their lives away is on the increase.
- At present, the Commission provides counselling support for people with gaming addiction through the counselling services of the Narcotics Control Commission (NACOC).
- The Commission has also introduced an advertising guidelines policy to control how gaming adverts are conducted.





# MATCH FIXING

---

- In 2022, there was a huge match-fixing scandal involving two teams in the Ghana Premier League.
- At the time, it was reported that the allegations were only the tip of the ice-berg as there had been many instances of match-fixing involving Ghana Premier League clubs.
- Apart from the fact that match-fixing is a fraudulent activity, it also operates to destroy the local league.
- As the sports betting industry grows, many countries and regulators on the continent of Africa will be confronted with such allegations, whether real or perceived.
- To tackle match-fixing, there is a need for increased collaboration between stakeholders including operators, regulators, security agencies and football clubs to stem the tide. Match fixing harms the majority and benefits only a few unscrupulous individuals.



# CONCLUSION

---

- On the whole, our regulatory efforts have helped to streamline the gaming industry in Ghana. One significant achievement worth sharing is in the area of KYC. Under the Anti Money Laundering Act, 2020 (Act 1044), Ghana has implemented a player verification system that has removed anonymity in the gaming industry.
- Despite the above, there are many areas that remain unregulated in sports betting space. For example black sites. As regulators across Africa, we need to enhance our collaboration to deal with the issue of unregulated gaming sites whether they are locally or internally based. Collaboration among regulators will help us learn from each other and develop best practices to assist us in better regulating the industry.
- Finally, there is need to improve legislative reforms. In Ghana, plans are far advanced to enhance the powers of the Gaming Commission. The Gaming Act of 2006 which created the Gaming Commission of Ghana is currently going through a review. The aim is to elevate the Gaming Commission into an Authority clothed with enforcement powers including the power of inspections, the power of confiscation and the power of prosecution. Once it is fully implemented, the gaming regulator will be in a much more powerful position to better police the industry.

**THANK YOU**