



REGULATORY

Global developments in gambling, betting and e-sports regulation: Lessons for South Africa

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Like many other sectors of the economy that rely on technology, online gambling, gaming and betting have grown much faster than lawmakers are able to respond. This year, lawmakers throughout the world have made efforts to modernise their gambling laws to close the gap between traditional regulation and digital market realities. Lawmakers are introducing additional laws focussing on consumer protection reforms, increased regulation of digital gambling, stronger action against unlicensed offshore operators and the recognition of the e-sports and hybrid gaming markets. Although South Africa has been engaging on possible regulatory reform, digital gambling laws remain under development.

2025 has been a year of significant legal reform in the regulation of gambling, betting, online gaming and e-sports across the world. Prompted by concerns over consumer protection, money laundering and the rapid expansion of the online betting economy, governments around the world are taking steps to update their legal frameworks to address the increased digitisation of the industry as well as mounting public scrutiny over gambling related harm.

At the forefront of consumer-focussed reform is the United Kingdom which, in April 2025, introduced the world's first online slot stake limits of £5 per spin for adults and £2 for players aged 18 to 24. In addition, the UK Gambling Commission introduced a ban on mixed-product gambling and a cap on bonus wagering requirements, which will be effective from December 2025. The UK Gambling Commission has also prioritised real-time risk detection obligations which require licensed operators to intervene when signs of financial harm from gambling emerge.

European countries are intensifying action against offshore gambling platforms. Norway implemented new provisions on domain name system blocking and internet service provider enforcement powers against foreign gambling operators without local licences. Denmark has tightened supply chain rules in digital gambling and now requires licensed operators to use only locally licensed B2B software providers. Malta has enhanced its risk-based regulatory oversight methodology in the areas of compliance, player protection and sports betting integrity. The Netherlands, France and Spain have tightened gambling advertising rules and celebrity endorsements to reduce youth exposure.

In August 2025, India enacted the Promotion and Regulation of Online Gaming Act, 2025 which distinguishes between gaming and gambling. It legalises skills-based gaming and e-sports, while banning online gambling classified as games of chance. It also mandates age verification and anti money laundering compliance.

In the United States, the popularity of prediction markets and fantasy stock trading platforms offering bets on real-world outcomes is rapidly growing, bringing with it its own set of legal issues that need to be considered and addressed. U.S. federal regulators are considering whether such platforms should fall under gambling law or financial regulation.

Brazil launched its regulated online betting market on 1 January 2025, which introduced federal licensing controls, advertising controls and anti-money laundering requirements. Although enforcement challenges remain, Brazil is expected to become one of the world's biggest online sports betting markets.

E-sports regulation gained ground globally this year. China has tightened controls on gambling-linked sponsorship in e-sports and increased cooperation against illegal betting syndicates. South Korea updated its rules on penalising match-fixing in competitive gaming. European Union integrity bodies are calling for a unified e-sports integrity framework. These developments highlight growing recognition that e-sports requires dedicated regulation. Even though some overlaps exist, e.g. e sports betting, e-sports regulation must cover several issues that are distinct from gambling laws, such as cheating, match-fixing, and player welfare. Esports regulation focuses on fair competition and the integrity of the game itself, while gambling laws address financial stakes and potential addiction.

Gambling in South Africa is regulated by the National Gambling Act, 2004 ("the Act") which was enacted over 20 years ago. The Act requires strict licensing and probity checks, robust anti-money laundering oversight, and provides for co-ordination of the concurrent national and provincial legislative competence over matters relating to gambling. Legal forms of gambling include land-based casinos, limited pay out machines, bingo, horse racing and sports betting. However, the legal framework established under the Act was not designed for the digital era. The national gambling amendment bills of 2008 and 2018 attempted to introduce much needed reform, but they were never fully enacted.

To ensure an appropriate and responsive regulatory framework, South Africa must consider updating its gambling laws to, among others, ensure the implementation of –

- controlled licensing systems for online gambling;
- systems to retain revenue onshore;
- a regulatory framework to support the growth of the e-sports industry;
- updated gambling advertising restriction;
- real-time monitoring tools;
- domain name system blocking;
- Internet service provider enforcement powers against foreign gambling operators without local licences; and
- provisions on harmonising national and provincial laws.

Without reform, South Africa risks falling further behind on the regulation of digital gambling and continued offshore capital flight. Reform is not only necessary to protect players, but will also close legal and enforcement gaps, preserve the regulatory

credibility and economic value.



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