



Bookmaker Ratings

RUSSIAN BOOKMAKING INDUSTRY:

CURRENT STATE
AND GROWTH PERSPECTIVES

Developed with



May 2017

CONTENTS

DEFINITIONS	3	5.2 Requirements for Players and Player Identification	44
1. INTRODUCTION TO THE REPORT	5	5.3 Advertising Requirements	44
1.1 Opening Remarks	5	5.4 Tax Aspects	45
1.2 Short Description	5	5.5 Regulatory Authority	46
1.3 Sources of Information	6	6. PROBLEMS AND CHALLENGES OF BOOKMAKING INDUSTRY IN RUSSIA	47
MAIN FIGURES	7	6.1 Large share of players involved in illegal betting companies	47
2. BOOKMAKING INDUSTRY IN RUSSIA	8	6.2 Complex Procedure for Player Identification	48
2.1 Bookmaking Industry Turnover	10	6.3 High Entry Requirements for the Industry	49
2.2 History of the Bookmaking Industry	12	6.4 Difficulties related to PIT Payments	50
3. BETTORS	14	6.5 Restrictions on Advertising	50
3.1 Number of Bettors	14	6.6 Lack of transparency of the state policy in the field of bookmaking	51
3.2 Classification of Bettors	16	6.7 Negative Public Attitudes Towards Gambling	52
3.3 Activity of Bettors	21	6.8 Unscrupulous players in the industry	54
3.4 Motivation and Problems of Bettors	25	6.9 Manipulated Fixed Matches	54
4. BETTING COMPANIES	28	7. PROSPECTS OF THE RUSSIAN BOOKMAKING INDUSTRY	56
4.1 Bookmakers	28	8. RIGHTS TO THE REPORT	58
4.2 Self-Regulatory Organizations of Bookmakers	40		
4.3 Payment Processing System for Online Gambling Transactions	41		
5. STATE REGULATION OF THE INDUSTRY	42		
5.1 Requirements for Bookmaker Companies	42		

DEFINITIONS

The following definitions are used in this report:

Gambling - a risk-based agreement with the intent of winning, that involves payment of money. Gambling mainly includes bookmaker betting, parimutuel betting, lotteries, casinos and poker.

Wager - a type of gambling, when the results of the risk-based agreement with the intent of winning depend on an event with an uncertain outcome

Bettors - Russian citizens, foreign citizens or stateless persons aged 18 years and over, residing in Russia and making bets at betting shops and online betting on the websites of bookmakers (both legal and illegal). Bookmaking company (bookmaker) is a company that accepts the bets of the bettors at betting shops and on the Internet.

Bookmaking company (bookmaker) - is a company that accepts the bets of the bettors at betting shops and on the Internet.

Legal Bookmaker Company - a bookmaking company that has the right to accept bets from bettors in Russia via betting shops or its official website.

An illegal bookmaking company - is a bookmaker that does not have the right to accept bets from bettors in Russia.

TSUPIS (Payment Processing System for Online Gambling Transactions) - Russian company which is responsible for processing all the interactive gambling transactions in Russia.

SRO - self-regulatory organization of bookmakers.

FTS - Federal Tax Service of the Russian Federation.

Roskomnadzor (Federal Service for Supervision of Communications, Information Technology and Mass Media) - Federal Service for Supervision of Communication, Information Technology and Mass Media of the Russian Federation.

PIT (Personal Income Tax) - the tax on the income of natural persons.

Bet - funds transferred by a gambler to the bookmaker as a necessary condition for participating in gambling. For the purposes of this report, interactive bets are also included

in the definition of this term.

Interactive Bet - funds, including electronic funds, transferred to the bookmaker via electronic means of payment as a necessary condition for participating in the gambling on the bookmaker's website.

Betting Shop - placement point for betting with the bookmaker company, where the latter accepts the bets of the bettors, as well as submits the information on the accepted bets, paid and unpaid winnings to the processing center of the bookmaking company.

Gambling Law - Federal Law No. 244-FZ «On State Regulation of Activities in the Organization and Conduct of Gambling and on Amendments to Certain Legislative Acts of the Russian Federation» of December 29, 2006.

Law on Advertising - Federal Law No 38-FZ "On advertising" of March 13, 2006.

1. INTRODUCTION TO THE REPORT

1.1 Opening Remarks

This report was done by the «Bookmaker Ratings» as of May 2017. It is aimed at analyzing the bookmaking industry in Russia, bookmaking companies, bettors, as well as trends and challenges of the industry.

The bookmaking industry is considered one of the most rapidly developing sectors of Russian economy. Its growth started in the early 1990s, following a long period of total prohibition in the USSR. Yet, in more than two decades it has turned into a full-fledged sphere, satisfying the betting needs of more than 2.3 million residents of the country. Nevertheless, the sphere actually goes through a difficult stage of transformation, caused by the state policy, aiming to transfer the bettors from foreign bookmakers' websites to those registered in Russia.

This report considers the situation of the Russian bookmaking industry, its turnover and structure over the past 12 months, as well as main challenges and prospects for development. This report does not contain information about other types of gambling.

1.2 Short Description

For the purposes of this report, the term "Russian bookmaking industry", as a segment of the economy, included both bettors and bookmakers that provide services to bettors. The turnover of the Russian bookmaking industry amounts to RUB 677 bn (US\$ 10,1 bn) per year, the revenue of bookmakers from the Russian market comprises RUB 47 bn (US\$ 0,7 bn) per year, which accounts for 1.2% of the world bookmaking industry. Over the next five years, it is planned to increase the turnover of the Russian bookmaking industry to RUB 1,4 tn.

Actually, 29 bookmaking companies in Russia hold an official license for bookmaking, including 11 bookmakers accepting interactive bets. In total, there are more than 100 Russian-language bookmaker websites worldwide that provide Russian residents with the opportunity to bet. The total number of betting shops in the country exceeds 6 800.

1.3 Sources of Information

This report is based on the data provided by two social researches conducted by the “Bookmaker Ratings”.

To fully assess the scope of the phenomenon under study and to identify the general attitude of Russian citizens towards gambling, this report was based on the data of a representative survey among the Russian residents aged 18 years and over, conducted by the Autonomous Non-Profit Organization «Yury Levada Analytical Center» on January 20-23, 2017, using the method of personal interview with the respondents in 137 urban settlements and rural areas of 48 subjects of the Russian Federation. The sample encompassed the data from 1 602 respondents.

To study the composition and preferences of the bettors of the bookmaking market, the data of the Research holding “Romir” were used (research, conducted by the CAWI interview method in March 2017). Target group included people aged 18-55, who lived in the cities of the Russian Federation with a population of more than 100,000 residents and made bets in bookmaking companies (both online and offline) at least once in the last 12 months.

In order to analyze the results received and predict the future development of the situation on the market, representatives of betting companies and industry experts were also interviewed.

In addition to that, the results of numerous online surveys, conducted by the «Bookmaker Ratings» among its own users in February-May 2017, were also used.

According to marketing research by [Bookmaker-Ratings](#), in Russia from May 2016 till May 2017 services of illegal offshore bookmakers were used by 1 million 410 thousand players, services of legal Russian bookmakers – by 820 thousand players.

MAIN FIGURES

2,3

million people

make sport bets in
Russia

65%

of Russian bookmaker
market located in
offshore zone

677

billion roubles

total amount of sport
bets made in Russia last
year

1023

roubles

is average sum of bets
made in Russia

end of demo preview

300

bets

is average amount of
bets made per one
person in Russia



is the most recognizable
bookmaker company in
Russia

**Buy full version of report
to read further**

BUY FULL VERSION