



Unregulated and Unstoppable: Cryptocurrencies and the Future of Online Illegal Betting

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Executive Summary

This report examines the accelerating adoption of cryptocurrencies by illegal online sports betting operators and the implications for financial crime, consumer protection, and regulatory oversight. Drawing on primary research and a comprehensive literature review, the report finds that 43% of the world's most popular illegal betting websites now accept cryptocurrency deposits—up from 25% in early 2024—while legal operators remain largely resistant to this trend, with only 5% offering cryptocurrency betting account funding options. This trend is driven by the broader crypto market boom, the appeal of anonymity and speed, and targeted promotions aimed at younger, tech-savvy bettors.

Our analysis reveals that while cryptocurrencies offer operational benefits such as faster transactions, lower fees, and global accessibility, they also pose significant risks. Chief among these is their role in facilitating money laundering and other criminal activity. The decentralized and pseudo-anonymous nature of crypto transactions, combined with emerging privacy technologies and the growing sophistication of laundering techniques, has created a fertile environment for cryptocurrencies to stimulate illicit financial flows. These risks are compounded by a lack of holistic and effective regulatory oversight in the gambling sector.

The report also finds that most cryptocurrencies used by illegal betting operators are not appropriate, direct mediums-of-exchange between betting customers and operators, in the way that fiat currencies are. Only a minority of the cryptocurrencies utilized by these operators are currency coins (i.e. a digital currency primarily designed as a medium-of-exchange), and even these fail to fulfill a principal function of money, specifically as a stable store of value. Cryptocurrencies' volatility, fragility, and lack of institutional backing undermine their reliability in the betting transaction cycle, making them, in their present state, unsuitable for deposit, play, and withdrawal functions.

The gambling regulatory landscape is also fragmented and outdated, with most national gambling laws failing to clearly address the use of cryptocurrencies. This has led to the growth of a parallel, unregulated betting market that operates outside of traditional financial and gambling regulatory controls on the use of crypto. Without coordinated intervention, this trend will continue to erode the effectiveness of existing safeguards and expose consumers to heightened risks.

Introduction

The growing boom in the use of cryptocurrencies around the world is resulting in a parallel growth of the use of crypto for illegal betting. In 2024, it was reported that wagers paid in cryptocurrency generated upwards of USD80 billion in gross gaming revenues (GGR), with this specific market growing by over 20 percent a year.¹ At this rate, cryptocurrency betting will be a USD200 billion GGR market by 2030.

The Council found in 2024² that cryptocurrency acceptance by online betting operators as a method of deposit and withdrawal was surging, with a 25% increase in the number of online betting websites accepting crypto, compared to its last analysis in 2020, and of those websites assessed to be illegal, a similar 26% increase.³

In this new report we find that of those top 100 most popular betting websites globally, which were assessed to be operating illegally, close to half (43%) accepted cryptocurrencies as a means of funding a betting account, up from a 25% market share in February 2024. Meanwhile, of those websites assessed to be operating legally, the percentage that accepted crypto deposits was just 5%.

This report shows that the popularity of cryptocurrencies, outlined in previous Council reports, continues unabated and is primarily spurred by the widespread adoption of crypto by illegal betting operators. It also shows that this widespread adoption has also resulted in more choices being available to betting customers compared to before, that cryptocurrency options to directly fund online betting accounts are not suitable mediums-for-exchange (in the way that fiat, or normal, money is), and make recommendations to alleviate this concern.

Methodology

Research for this report was conducted between June and August 2025 and was split into two strands: a literature review on thematic cryptocurrency trends (including cryptocurrency-related criminal activity) since the second half of 2023, and primary research into the rate of cryptocurrency betting account acceptance among the world's top 100 online betting operators.⁴

These operators were then assessed as being legal or illegal, based on whether they could be independently verified as holding a betting license from gambling regulators located in the jurisdictions where they accept bets from consumers⁵, and if so, whether they accept bets falling outside their licensing conditions. An adductive reasoning (or 'Duck') test was used to ascertain whether customers could fund these operators' betting accounts. Where cryptocurrencies were identified as a means of betting account funding, specific cryptocurrencies were identified and recorded on a best-effort basis.

¹ *Financial Times*, 'Crypto casino takings top \$80bn as gamblers bypass blocks', *Financial Times*, 21 Apr. 2025. Available at: <https://www.ft.com/content/66f879c6-e51c-4e9d-91ba-b15eacac45c1> [Accessed 29 Aug. 2025].

² International Federation of Horseracing Authorities, *February 2024 Bulletin: How Illegal Betting and Related Money Laundering Flourished*. IFHA, 2024. Available at: <https://www.ifhaonline.org/AibResources/Bulletins/February%202024%20bulletin.pdf> [Accessed 29 Aug. 2025].

³ *Ibid*

⁴ Measured by the mean number of global monthly website visitors for the period July 2024 to June 2025 via Similarweb.

⁵ As assessed in the Asian Racing Federation's 2022 'State of Illegal betting' report (<https://www.ifhaonline.org/AibResources/Papers/State-of-Illegal-Betting-2022.pdf>)

During the literature review, GambleFi (short for “Gamble Finance”)⁶ gambling-specific cryptocurrencies were identified, although no further analysis of these currencies has taken place within this report, which focuses on mainstream, globally popular, online betting operators.

The state of the global cryptocurrency market

On 31 December 2023, the total cryptocurrency market capitalization stood at USD1.729 trillion, having fallen from a November 2021 market cap of USD3.002 trillion – the ensuing two years between being what was commonly defined as the Crypto Winter.⁷ Since then, however, this market capitalization has increased to USD4.007 trillion, a 231% increase, with daily cryptocurrency trading volumes increasing from USD106bn to USD134bn⁸ (see Figure 1).



Figure 1: Cryptocurrency global market capitalization in USD, 31 Dec 2023 to 10 Aug 2025⁹

This rapid growth in the global cryptocurrency market since the beginning of 2024 is due a mix of political and regulatory reasons outlined below:

⁶ GambleFi is a type of online gambling that uses blockchain and cryptocurrency to make betting more transparent and decentralized. It lets users not only place bets but also earn rewards or profits by owning part of the platform through tokens.

⁷ www.coingecko.com, a Singaporean-based cryptocurrency market data aggregator

⁸ Ibid

⁹ Ibid

- 1) Political support: US President Donald Trump's administration has been a significant driver of the 2024-H1 2025 crypto boom. Since returning to the White House in early 2025, he has "championed digital assets, signed into law stablecoin legislation, appointed friendly regulators and dropped high-profile lawsuits against companies such as Coinbase and Kraken"¹⁰ along with creating his own meme-coin¹¹ three days before his re-appointment as the President of the United States.
- 2) Regulatory approvals: The approval of bitcoin exchange-traded funds (ETFs) by US regulators in January 2024, currently numbering 42 in the US alone and managed by some of the world's largest fund managers like BlackRock and Fidelity, made it easier for institutional investors globally to gain exposure to cryptocurrencies.¹²

Since the beginning of 2024, other regulatory guidance from major monetary authorities has also done much to strengthen the case for cryptocurrency as a genuine asset class, including the EU's Markets in Crypto-Assets Regulation, which became fully operational in December 2024 and introduced licensing requirements and stablecoin rules, the UK Treasury's introduction of a draft Statutory Instrument governing regulated Activities for cryptocurrencies in April 2025,¹³ and the Hong Kong Monetary Authority's cryptocurrency regulatory regime guidance, published on 1 August 2025,¹⁴ all of which have allowed banks and other financial institutions to purchase crypto assets.

- 3) Market performance: The supportive political and regulatory environment has led to significant price increases in cryptocurrencies, which has in itself, created positive feedback loops which has further fuelled the crypto boom over the past 18 months, and fuelled cryptocurrencies' increasing integration with mainstream finance.¹⁵

Against this backdrop, the cryptocurrency industry itself has grown to truly astounding proportions. To date, there are more than 17,000 different cryptocurrencies in existence, traded across 1350 different crypto exchanges (outnumbering equity exchanges 15 to 1) and across 500+ different crypto categories,¹⁶ each category comprising several cryptocurrencies which are tailored to the specific requirements needed of a cryptocurrency operating in that market or industry, including the online betting universe, informally known as "GambleFi".

¹⁰ Williams, A., 'Crypto gambling: the new frontier for digital assets', *Financial Times*, 27 Aug. 2025. Available at: <https://www.ft.com/content/1b359ef0-19c3-4d82-9268-43c60a33903f> [Accessed 29 Aug. 2025]

¹¹ Nevil, S., 'Meme Coins: Examples of What They Are, Pros and Cons, and How to Make Them', *Investopedia*, 24 Feb. 2025. Available at: <https://www.investopedia.com/meme-coin-6750312> [Accessed 29 Aug. 2025]

¹² Stafford, P., 'Crypto gambling: the new frontier for digital assets', *Financial Times*, 28 Aug. 2025. Available at: <https://www.ft.com/content/fc90d99b-8f03-4e30-a6e2-6689db28b632> [Accessed 29 Aug. 2025]

¹³ HM Treasury, *Regulatory regime for cryptoassets (regulated activities) – Draft SI and Policy Note*, GOV.UK, 29 Apr. 2025. Available at: <https://www.gov.uk/government/publications/regulatory-regime-for-cryptoassets-regulated-activities-draft-si-and-policy-note> [Accessed 29 Aug. 2025]

¹⁴ Hong Kong Monetary Authority, *Implementation of regulatory regime for stablecoin issuers*, 29 Jul. 2025. Available at: <https://www.hkma.gov.hk/eng/news-and-media/press-releases/2025/07/20250729-4/> [Accessed 29 Aug. 2025]

¹⁵ Stafford, P., 'Hong Kong sets out licensing regime for stablecoin issuers', *Financial Times*, 29 Jul. 2025. Available at: <https://www.ft.com/content/65e11e4c-fe0d-4a3c-927f-2f4906fe1061> [Accessed 29 Aug. 2025]

¹⁶ www.coingecko.com, a Singaporean-based cryptocurrency market data aggregator

For the purposes of this report, cryptocurrency categories have been broadly defined into the following four types as outlined in figure two:

Cryptocurrency Type¹⁷	Definition	Key Features:	Examples
Currency Coins	Cryptocurrencies designed primarily to function as digital money or a store of value, similar to traditional currencies although decentralized and borderless.	<ul style="list-style-type: none"> • Used for peer-to-peer transactions • Often have limited supply to preserve value • Focus on speed, security, and low fees 	<ul style="list-style-type: none"> • Bitcoin (BTC) • Litecoin (LTC) • Bitcoin Cash (BCH)
Smart Contract Platforms	Cryptocurrencies that support programmable transactions and decentralized applications through smart contracts—self-executing code with predefined rules.	<ul style="list-style-type: none"> • Allows bolt-on supplementary digital tools eliminating middlemen • Additional tools support complex logic and crypto automation 	<ul style="list-style-type: none"> • Ethereum (ETH) • Binance Coin (BNB) • TRON
Utility & Exchange Tokens	Cryptocurrencies used within specific platforms or ecosystems to pay for services, access features, or participate in governance.	<ul style="list-style-type: none"> • Used to pay for Services within apps; • Grants rights to special functions and/or rewards within that app; • Are not standalone currencies 	<ul style="list-style-type: none"> • Uniswap Token (UNI) • Polygon (MATIC)
Stablecoins & Payment-Focused Tokens	Cryptocurrencies designed to maintain price stability or enable fast, low-cost transactions, often by being pegged to fiat currencies or backed by reserves.	<ul style="list-style-type: none"> • Reduce volatility in crypto markets • Used for remittances, trading, and DeFi • Can be fiat-backed, crypto-backed, or algorithmic 	<ul style="list-style-type: none"> • Tether (USDT) • USD Coin (USDC) • XRP

Figure 2: Cryptocurrency types, definitions & key features

¹⁷ Ahmed, O., "10 Types of Cryptocurrency Explained: Definition & Examples", *Finbold*, 5 Jan. 2023. Available at: <https://finbold.com/guide/types-of-cryptocurrency/> [Accessed 29 Aug. 2025]

Impact of the cryptocurrency boom on online betting markets

There is growing evidence to show the increasingly widespread use of crypto currencies as a means of exchange by mainstream online illegal betting operators. In April 2025, the Financial Times reported that in 2024, wagers paid in cryptocurrency last year generated \$81.4 billion in gross gaming revenue (GGR), with a growing number of operators basing themselves in offshore licensing locations such as Curaçao, Malta, the Isle of Man and Gibraltar.¹⁸ The Financial Times pointed out that crypto gambling is increasing, facilitated by use of VPNs by consumers and promotions by social media influencers.

Adoption of crypto by consumers for online sports betting and other gambling is likely to continue to increase dramatically. Estimates of the scale of crypto betting and gambling by 2030 vary, but most indicate significant growth. From 2022 to 2023, there was an estimated growth rate of over 20 per cent in crypto wagers¹⁹, which would lead to a market size of over \$200 billion by 2030.

This report adds to this analysis, by looking at the top 100 global online sports betting operators, assessing their legality, and ascertaining which of them accepted cryptocurrencies. These top 100 global online sports betting operators were globally representative, together accounting for 1.748 billion mean monthly visits over the 12-month period of July 2024-June 2025, accounting for 77.3% of total global visits to all online betting websites over that period.²⁰ Mean monthly visits to the top 20 online betting operators which accept cryptocurrencies ballooned from an aggregated 187 million visits²¹ to 472²² million, measured over the July 2024 to June 2025 period – in excess of a 250% increase over an 19-month measurement window. This means that visits to the online betting operators analysed are growing by approximately 5% month-on-month, which means that by December 2026, these websites will see more than 1 billion visits per month.

Cryptocurrency acceptance by online betting operators

Of the top 100 online betting operators used for this assessment (shown in figure three), 42 were assessed to be operating legally and the remaining 58 were classified as operating illegally (based on the commonly accepted definition of illegal betting in the Macolin Convention of the Council of Europe).

Analysis showed that of the 42 legal online betting operators examined, only 5% offered cryptocurrencies as a betting account funding method, with only one of them accepting more than one cryptocurrency.

¹⁸ *Financial Times*, 'Crypto casino takings top \$80bn as gamblers bypass blocks', *Financial Times*, 21 Apr. 2025. Available at: <https://www.ft.com/content/66f879c6-e51c-4e9d-91ba-b15eacac45c1> [Accessed 19 Aug. 2025]

¹⁹ *iGamingBusiness*, 'Security, transparency, traceability: Cryptocurrency in igaming', *iGamingBusiness*, 14 Oct. 2024. Available at: <https://igamingbusiness.com/crypto-gambling/security-transparency-traceability-cryptocurrency-in-igaming/> [Accessed 19 Aug. 2025]

²⁰ Similarweb analysis

²¹ Non-unique visits derived from Similarweb (www.similarweb.com)

²² To put this figure into context, the total number of visits to the top 20 online sportsbook which did not offer cryptocurrency as way to fund their betting accounts over the same period was 732 million

On the other hand, of the 58 illegal online betting operators, 25 of them accepted cryptocurrencies, and of these, 22 offered more than one type of cryptocurrency, with one operator offering 24 different cryptocurrency deposit and withdrawal options.

Due to the very small number of online betting operators assessed to be legal and offering cryptocurrencies within the sample size of 100 globally popular online betting websites, analysis from hereon in will focus on crypto acceptance by illegal online betting operators.

Online betting operator legality	Number	Cryptocurrency acceptance (Count)	Cryptocurrency acceptance (%)
Legal	42	2	5%
Illegal	58	25	43%
Total	100	27	27%

Figure 3: Cryptocurrency acceptance of online betting operators by legality

Cryptocurrency acceptance by illegal online betting operators

Of the 25 online betting operators assessed to be illegal and accepted cryptocurrencies, a total of 34 different types of cryptocurrencies were identified as betting account funding options, with the top 10 cryptocurrencies identified in figure four below.

As the near-eponymous cryptocurrency, it is not surprising that Bitcoin tops this list, with 88% of illegal betting operators offering Bitcoin as a method of funding customer betting accounts. Similarly, it should come as no surprise that Ethereum (itself a spun-off derivative of bitcoin, with a focus on smart contract functionality) and Litecoin (another Bitcoin derivative with a focus on lowering cryptocurrency transactions fees, transaction times and being easier to mine) round-out the top three spots in the table.

Ranked fourth is Tether, the first (and most well-known) of the cryptocurrency stablecoins (a cryptocurrency designed to maintain a stable value, typically by being pegged to a fiat currency such as the US dollar) while rounding out the top 5 list is the first Memecoin, Dogecoin, introduced in 2013 as a “joke currency,”²³ and designed to poke fun of the widespread speculation in cryptocurrency at that time.²⁴

²³ Chohan, Usman W., A History of Dogecoin (February 12, 2021). Discussion Series: Notes on the 21st Century, Available at SSRN: <https://ssrn.com/abstract=3091219> or <http://dx.doi.org/10.2139/ssrn.3091219>

²⁴ Faulds, Z., ‘Dogecoin: A History of the Meme-Inspired Cryptocurrency’, *TheStreet*, 27 May 2021. Available at: <https://www.thestreet.com/crypto/investing/history-of-dogecoin> [Accessed 29 Aug. 2025]

Rank	Cryptocurrency name	Crypto code	Acceptance (N=25)	Acceptance (%)
1	Bitcoin	BTC	22	88%
2	Ethereum	ETH	18	72%
3	Litecoin	LTC	17	68%
4	Tether	USDT	14	56%
5=	Dogecoin	DOGE	10	40%
5=	XRP	XRP	10	40%
7=	BNB	BNB	8	32%
7=	Bitcoin Cash	BCH	8	32%
9	TRON	TRX	6	24%
10=	Shiba Inu	SHIB	5	20%
10=	Cardano	ADA	5	20%
10=	Solana	SOL	5	20%

Figure 4: Cryptocurrency penetration of 25 illegal online betting operators by type

The long tail of the remaining 22 cryptocurrencies offered by these illegal online betting operators continues along a similar vein, being a mix of stablecoins, memecoins, or specialized variations of the original cryptocurrency principles outlined above, designed to fulfil specific roles within the cryptocurrency universe.

It is noteworthy that cryptocurrencies do not conform to single market segments or categories. For example, DOGE, originally a memecoin, is now considered a payment-focused token. As figure six shows, just 41% of observed cryptocurrencies available to fund betting accounts assessed as being currency coins (coins primarily designed to act as digital money). Excluding the memecoin also identified in this category, this percentage drops to 35%.

Figure 5: Observed cryptocurrency categories by category

Cryptocurrency category		Number of cryptocurrencies	Frequency observed	% (total observations)
Currency Coins	<i>Memecoin</i>	1	10	6%
	<i>Other</i>	8	57	35%
	Total	9	67	41%
Smart contract platforms	<i>Memecoin</i>	0	0	0%
	<i>Other</i>	9	39	24%
	Total	9	39	24%
Utility & Exchange Tokens	<i>Memecoin</i>	3	8	5%
	<i>Other</i>	8	17	10%
	Total	11	25	15%
Stablecoins & Payment-Focused Tokens	<i>Memecoin</i>	0	0	0
	<i>Stablecoins</i>	3	20	12%
	<i>Payment-focused tokens</i>	2	12	7%
	Total	5	32	20%
Total		34	163	100%

Nine different smart contract platforms cryptocurrencies were observed during the assessment, accounting for close to a further one-quarter of all cryptocurrencies observed. Similarly, the portion of utility and exchange tokens identified accounted for an additional 15% of the total, with 5% of that stemming from memecoins. The last 20% were either stablecoins or payment-focused tokens.

Cryptocurrency rebates & promotions from illegal online betting operators

Another notable feature of online illegal betting operations is that, unconstrained by regulation governing the ability to advertise and promote their product, cryptocurrency-specific rebates and promotions are much more appealing than their legal counterparts, borne out by examining cryptocurrency-specific promotions and rebates offered by the top 10 most popular illegal online betting operators.

While only three of these top 10 betting operators offered specific crypto-related bonuses and promotions, targeting either new crypto deposits, or prizes for new joiners denominated in cryptocurrencies as shown below (reported in aggregate), the number of such offers is comparatively large as illustrated in figure six below.

Cryptocurrency specific sign-up promotions	<i>200% Match Bonus up to \$2,000: New users who sign up using a promo code and make a crypto deposit (minimum \$50) are eligible for a generous match bonus;</i>
	<i>100% Crypto Deposit Bonus: First-time crypto depositors can use promo code to double their deposit. Minimum deposit \$20 & Rollover requirement 14x</i>
	<i>30% Crypto Reload Bonus: Use promo code for a 30% bonus on subsequent crypto deposits. Minimum deposit: \$50. Rollover requirement: 7x</i>
	<i>USDT Casino Bonus: Tether users get a 100% first deposit bonus and 30% reload bonus</i>
Cryptocurrency bonuses & promotions	<i>\$200 hourly Bitcoin Bonus: After signing up, users can claim free spins and potentially win up to \$200 in Bitcoin hourly</i>
	<i>Free Bitcoin Lottery: Users can participate in a weekly Bitcoin lottery with prizes up to \$7,500 in BTC. Tickets are earned through free spins, referrals, wagering, or direct purchases</i>
	<i>Multiply BTC Game: A provably fair HI-LO dice game allows users to multiply their Bitcoin holdings and earn lottery tickets for every 0.00001000 BTC wagered</i>
	<i>Golden Ticket Contest: By playing and collecting golden tickets, users stand a chance to win \$200,000 in BTC</i>
	<i>Referral Program: Earn 50% of your referrals' free BTC earnings for life,</i>
	<i>Daily Jackpot & Monthly Contests: High-volume players can win daily BTC jackpots</i>
	<i>FUN Token Premium Perks: Holding FUN tokens in your account unlocks extra spins, cashback, and interest boosts on your BTC balance</i>

Figure 6: cryptocurrency specific deposit and other promotions from top 10 most popular illegal online betting operators

There are significant inducements on offer to consumers (shown in Figure 7), especially the comparatively longer rollover requirements (designed to keep customers betting for longer) when compared to non-cryptocurrency-accepting online betting websites, as well as other mechanisms by which customers can win cryptocurrencies by playing or betting more, as well as monetizing new referrals made by that customer (i.e. *earn 50% of your referrals' free BTC earnings for life*). The last inducement shown in table 5 also mentions FUN tokens, which are a gambling-specific cryptocurrency – a small but growing sub-set of the wider cryptocurrency universe.

The crypto-related promotions and rebates are much more attractive to what would be offered to non-cryptocurrency depositing customers, potentially due to the different motivations driving crypto bettors, who are likely to be tech-savvy, highly privacy-orientated and transient.^{25 26} Crypto bettors are also likely to be younger compared to the traditional sportsbook bettors, thus representing a higher customer acquisition worth to operators, resulting in a proportional increase in customer-cost-of-acquisition.

Cryptocurrency funding of betting accounts has largely been shunned by legal betting operators, with only 5% of them still offering any type of cryptocurrency as betting account funding mechanism. This is not the case when looking at illegal betting operators, with 43% of those analysed now offering cryptocurrencies to fund customer betting accounts – up from the one-quarter of illegal online betting operators who offered cryptocurrency funding mechanisms in early 2024.

Furthermore, the audience of these illegal online betting operators is growing, with the top 20 crypto-accepting betting operators estimated to have more than a cumulative 1 billion monthly visits by December 2026.

65% of the cryptocurrencies which can be used to deposit and withdrawal from these operators' betting accounts are unsuitable for the purpose of direct mediums-of-exchange. Meanwhile, anecdotal evidence of cryptocurrency-specific sign-up bonuses, rebates and promotions indicates that these online betting operators are increasingly targeting customers holding cryptocurrency due to their relative youth.

Impact of growing cryptocurrency acceptance by illegal online betting operators

There are also several challenges which preclude widespread adoption of cryptocurrencies for betting. Due to the pseudo-anonymous nature of cryptocurrency ownership, cryptocurrencies themselves have been well-documented facilitators of money laundering, and also facilitate an increasing amount of cyber-crime.

²⁵ *coinranking*, 'The Future of Crypto Betting: Forecasts and Trends for 2025', *Coinranking Blog*, 4 Jun. 2025. Available at: <https://coinranking.com/blog/future-of-crypto-betting-trends-2025/> [Accessed 29 Aug. 2025]

²⁶ *Sinclair, N.*, 'Top 5 Trends Driving Crypto Betting Growth in 2025 | Spartans vs Legacy Platforms', *Blockchain & Cryptocurrencies Tabloid*, 31 Jul. 2025. Available at: <https://theccpress.com/top-5-trends-driving-crypto-betting-growth-in-2025-spartans-vs-legacy-platforms/> [Accessed 29 Aug. 2025]

Due to the real-life anonymity that cryptocurrencies afford their users they represent an ideal method by which to launder criminal proceeds, an assertion made more serious by the fact that the betting operators are already considered a money-laundering risk.²⁷

Cryptocurrency supporters will argue that cryptocurrency transactions are not actually anonymous insofar as all crypto transactions are recorded on the blockchain and that cryptocurrency operators, if subpoenaed by law enforcement authorities for user data, do comply with such orders.^{28 29} However, this ignores the fact that the expanding number of offshore illegal betting operators do not comply with any law enforcement orders or requests and are by their nature outside of any national authority and regulation.

Cryptocurrency operators themselves, such as TRON and Tether have also set up Financial Crime teams to combat financial crime undertaken using cryptocurrencies and proactively collaborate with law enforcement authorities to bring bad actors to justice.³⁰

Chainalysis reported in 2024 that the amount of cryptocurrency laundered in 2022 was as much as \$31.5 billion (see figure seven). Cryptocurrencies are natural conduits for the laundering of the proceeds of crime for multiple reasons: 1) They are decentralized, which limits oversight and compliance; 2) Their fast transaction times and lack of transaction controls limits effective monitoring; 3) Their pseudo-anonymity obfuscates efforts to identify bad actors; 4) Their automation, for instance via smart contracts, of laundering protocols making the laundering process itself easier to enact.³¹

²⁷ Financial Action Task Force (FATF), *Vulnerabilities of Casinos and Gaming Sector*, FATF/APG, Mar. 2009. Available at: <https://www.fatf-gafi.org/content/dam/fatf-gafi/reports/Vulnerabilities%20of%20Casinos%20and%20Gaming%20Sector.pdf> [Accessed 29 Aug. 2025]

²⁸ Europol, *Cryptocurrencies: Tracing the Evolution of Criminal Finances*, Europol Spotlight Report Series, Publications Office of the European Union, Luxembourg, 2022. Available at: <https://www.europol.europa.eu/publications-events/publications/cryptocurrencies-tracing-evolution-of-criminal-finances> [Accessed 29 Aug. 2025]

²⁹ It is also possible, through a variety of methods, to identify real-life holders of cryptocurrency wallets without requiring a court order

³⁰ TRM Labs, 'TRON, Tether, and TRM Labs Establish First-Ever Private Sector Financial Crime Unit to Combat Crypto Crime', *TRM Labs Blog*, 9 Sep. 2024. Available at: <https://www.trmlabs.com/resources/blog/tron-tether-and-trm-labs-establish-first-ever-private-sector-financial-crime-unit-to-combat-crypto-crime> [Accessed 29 Aug. 2025]

³¹ Zhou, H. Y., 'Regulating Crypto Money Laundering: An Assessment of Current Regulatory Responses and Potentials for Technology-Based Solutions', *Stanford Journal of Blockchain Law & Policy*, 30 Jun. 2025. Available at: <https://stanford-jblp.pubpub.org/pub/crypto-laundering> [Accessed 29 Aug. 2025]

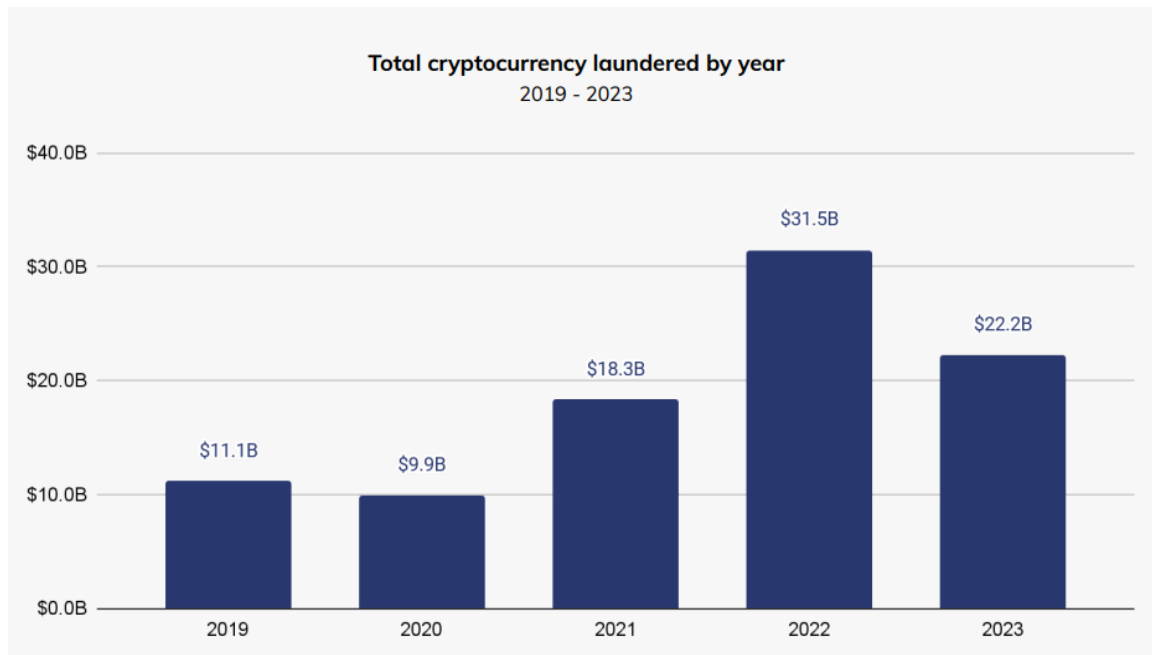


Figure 7: Cryptocurrency laundering estimates in USD Billion: 2019-2023³²

The decentralized and fragmented nature of the cryptocurrency universe also facilitates the ongoing development of blockchain technology to avoid identification by law enforcement. ‘Smurfing’ (the breaking up of large amounts of illicit crypto into smaller amounts to layer them), mixing with seemingly legitimate sources of crypto funds, including with legitimate crypto-betting transactions, the growing use of so-called privacy coins (see figure eight) which hide transactions as well as customer information³³ from prying eyes, along with tools such as Coinjoin, which integrates single transactions together, thus removing unique customer information from that blockchain ledger,³⁴ are all novel ways in which cryptocurrencies can be laundered and cleaned.

³² Chainalysis, *The 2024 Crypto Crime Report*, Chainalysis, 2024. Available at: <https://go.chainalysis.com/crypto-crime-2024.html> [Accessed 29 Aug. 2025]

³³ TRM Labs, ‘Privacy Coins’, *TRM Glossary*, [n.d.]. Available at: <https://www.trmlabs.com/glossary/privacy-coins> [Accessed 29 Aug. 2025]

³⁴ Zhou, H. Y., ‘Regulating Crypto Money Laundering: An Assessment of Current Regulatory Responses and Potentials for Technology-Based Solutions’, *Stanford Journal of Blockchain Law & Policy*, 30 Jun. 2025. Available at: <https://stanford-jblp.pubpub.org/pub/crypto-laundering> [Accessed 29 Aug. 2025]

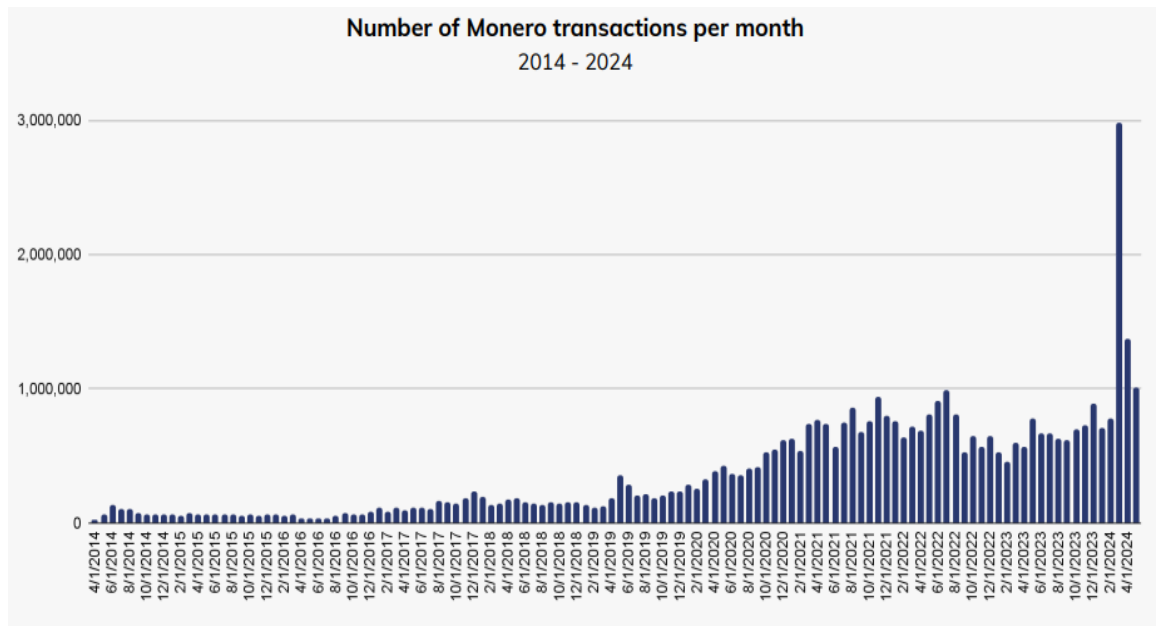


Figure 8: Monero monthly transactional volume 2014-2024. Monero is a well-known cryptocurrency privacycoin³⁵

Bad actors can go further to obfuscate their crypto laundering, using mixing/tumbling intermediaries (as the name suggests, involving mixing funds from various users before redistribution, minus a mixing fee, a specialist crypto service resulting in USD1.1 billion being laundered in 2022),³⁶ or, more recently, utilizing cross-chain bridges³⁷ (otherwise called Chain-hopping) where launderers swap cryptocurrencies from, for example the Bitcoin blockchain, to the Ethereum blockchain, which are not inter-connected and have different levels of scrutiny, transparency and compliance oversight. Mixer and cross-chain bridge activity have both exploded over the past five years, with mixers now seeing total crypto-washing values of more than USD500,000 monthly, with cross chain bridging washing adding an estimated USD100-200,000 to that monthly total.³⁸

Cryptocurrencies not only facilitate the laundering of illicit proceeds. Because of the ease of laundering using crypto, they themselves have become a precursor to a whole host of other related criminal activities ranging from online scams and frauds to terrorism financing (see figure nine). And while 2023 figures are down on previous years, it should be noted that the tracking of illicit cryptocurrency activity comes with several caveats: they do not include funds generated from activity outside of the crypto universe except for cases brought to their attention by customers, funds associated with crypto platforms accused of wrongdoing, and funds flagged by transaction-monitoring. Obviously, they also do not include new criminal modes of operations involving crypto and as such, are highly conservative estimates of actual criminal activity facilitated by crypto.

³⁵ AIRANT, *Money Laundering and Cryptocurrency*, AIRANT, Jul. 2024. Available at: https://airant.org/wp-content/uploads/2024/07/Report_-_Money_laundering_and_Cryptocurrency.pdf [Accessed 29 Aug. 2025]

³⁶ Ibid

³⁷ TRM Labs, *2025 Crypto Crime Report*, TRM Labs, 2025. Available at: <https://www.trmlabs.com/resources/reports/2025-crypto-crime-report> [Accessed 29 Aug. 2025]

³⁸ AIRANT, *Money Laundering and Cryptocurrency*, AIRANT, Jul. 2024. Available at: https://airant.org/wp-content/uploads/2024/07/Report_-_Money_laundering_and_Cryptocurrency.pdf [Accessed 29 Aug. 2025]

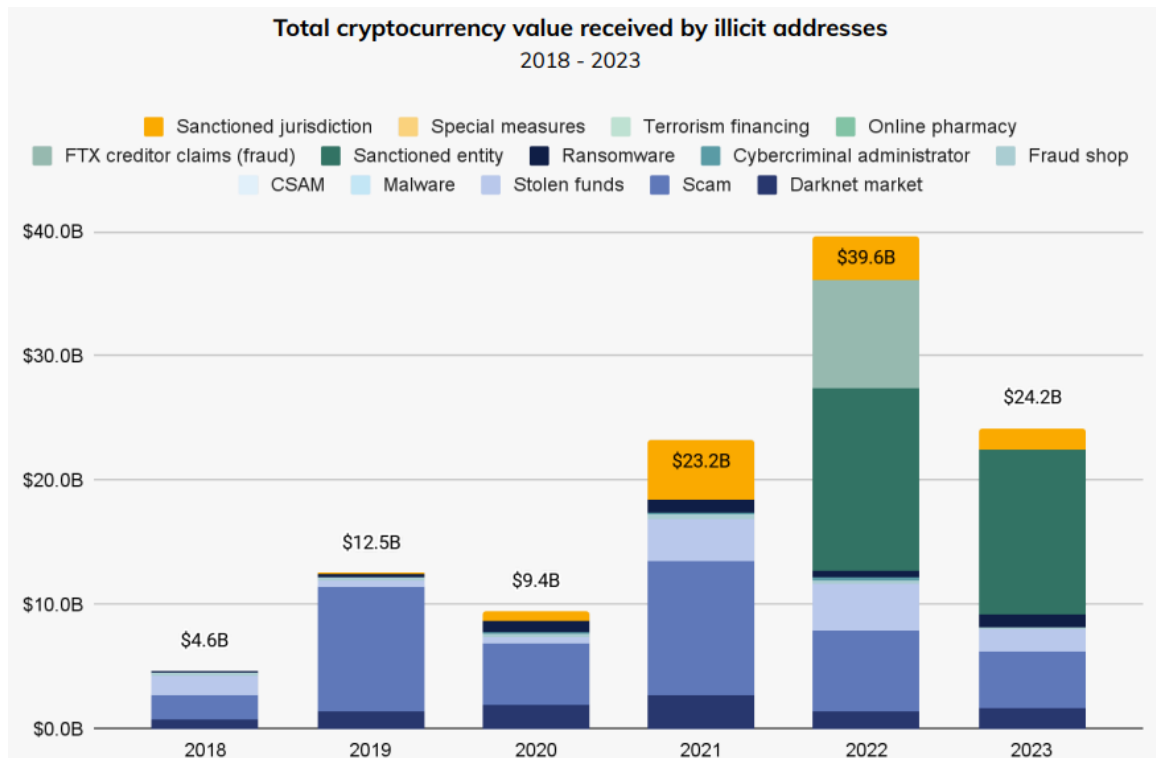


Figure 9: Total crypto amount received into known crypto wallets by criminal activity; 2018-2023; CSAM = Child Sexual Abuse Material³⁹

And the future trajectory of cryptocurrency-related crime looks set to continue upwards, with a July 2025 assessment painting a gloomy picture of more sophisticated laundering taking place utilizing crypto, a sharp increase in cryptocurrencies stolen, now increasingly from personal crypto wallets, and – perhaps most alarmingly, a sharp increase in what are being termed ‘wrench attacks’ – where physical violence is meted out against crypto wallet holder in order to obtain their crypto, suggestive of opportunistic targeting during periods of high crypto-value.⁴⁰

This growth trend is likely to continue into the foreseeable future, aided by the rapid technological evolution of the cryptocurrency and wider blockchain industries, with bad actors increasingly utilizing sophisticated techniques to undertake crimes, as well as obfuscate their identities. Increasingly, this criminal activity is spilling over into crimes committed in the real world, an upward trend which will only continue as cryptocurrency values continue to rise. As a result, all online betting operators (not necessarily just betting operators) should be aware of the financial crime risks of accepting cryptocurrencies as betting account funding mechanisms.

³⁹ Chainalysis, *The 2024 Crypto Crime Report*, Chainalysis, Jun. 2024. Available at: <https://go.chainalysis.com/crypto-crime-2024.html> [Accessed 29 Aug. 2025].

⁴⁰ Chainalysis, ‘2025 Crypto Crime Mid-Year Update: Stolen Funds Surge as DPRK Sets New Records’, *Chainalysis Blog*, 17 Jul. 2025. Available at: <https://www.chainalysis.com/blog/2025-crypto-crime-mid-year-update/> [Accessed 29 Aug. 2025].

The regulation of crypto sports betting and other gambling

Laws and regulations governing sports betting and other gambling were designed for fiat currency systems and bank-based financial systems. Cryptocurrencies have undermined the established payments system for sports betting and other gambling by operating on decentralised networks, often offshore, outside of regulatory reach.

Crypto currencies and assets are attractive to an increasing number of consumers because they allow direct, peer-to-peer transactions, are borderless, and can facilitate some degree of anonymity for payments and activities such as online gambling. These features directly undermine key aspects of financial crime-related controls and regulation in both the banking as well as gambling sectors, and currently, there are huge regulatory gaps that present significant added financial crime risks to the gambling and sports betting industries.

The aims of gambling regulation and the controls set by gambling regulators vary between countries, but an example of succinct licensing objectives are provided by the UK Gambling Commission⁴¹, as follows:

- Preventing gambling from being a source of crime or disorder, being associated with crime or disorder or being used to support crime;
- Ensuring that gambling is conducted in a fair and open way; and
- protecting children and other vulnerable people from being harmed or exploited by gambling.

Similar licensing objectives are in place in other national gambling regulators around the world, but these cover licensed operators and are irrelevant to unlicensed illegal betting operators. The controls and safeguards established by national gambling regulators are distinct from the growing number of offshore gambling license issuing entities, which are “pseudo gambling regulators [that] are not part of a national regulatory structure and hence have no relation to national laws of any jurisdiction except that in which they sit.”⁴²

This offshore licensing inevitably undermines established national gambling regulation and has been the driver of the acceptance of cryptocurrencies by online illegal betting operators. Offshore gambling licensing and online illegal betting have combined to fundamentally undermine established national gambling regulation, creating a parallel gambling market that is outside of national gambling regulation, and cryptocurrency use will continue this trend.

⁴¹ *Gambling Commission*, 'Licensing Objectives', *Gambling Commission*, [n.d.]. Available at: <https://www.gamblingcommission.gov.uk/about-us/guide/licensing-objectives> [Accessed 29 Aug. 2025]

⁴² *Gainsbury, S et al.*, 'Safeguarding Wagering Integrity and Public Health: A Psychological Perspective on Safer Gambling and Offshore Betting Harms', *International Federation of Horseracing Authorities Bulletin*, Aug. 2024. Available at: <https://www.ifhaonline.org/AibResources/Bulletins/August%202024%20Bulletin.pdf> [Accessed 29 Aug. 2025]

The regulation of gambling and sports betting has historically included requirements for operators to comply with to protect consumers from harm and prevent misuse of gambling by criminals. These requirements generally include age and identity verification checks, anti-money laundering (AML) checks, and responsible gambling measures. The growth of cryptocurrency use for online betting and other gambling has undermined the traditional regulatory system by allowing operators and consumers to ignore regulatory requirements and consequently undermine these established safeguards.

Analysis earlier in this report shows that 43 percent of the illegal sports betting operators accepted betting account deposits in various cryptocurrencies from customers. This practice undermines effective gambling regulation in a variety of ways.

Many of these online illegal betting operators accept cryptocurrency deposits directly from a cryptocurrency wallet, which usually means limited or no customer identification or Know Your Customer (KYC) measures. This allows consumers to bet anonymously, overcoming operator KYC and age verification requirements, as well as overriding customers' prior self-exclusions (customers who suffer from gambling addiction have the ability to self-exclude from future online gambling provision-of-services).

Transfers from crypto wallets to online illegal betting operators involve blockchain, which is outside of the traditional banking system and hence also outside of local banking laws and regulations relating to deposits and transfers.

Crypto transfers also do not require local payment processing providers and with the utilisation of VPNs for online transfers consumers, can hide their real location and fund accounts from any jurisdiction, regardless of any restrictions on transfers from that location, evading sanctions as well as other international capital controls.

Cryptocurrency acceptance by online illegal betting operators sidesteps national gambling regulation because it replaces regulated financial controls with peer-to-peer, borderless, and often anonymous systems. This erodes the main enforcement levers regulators can use: controlling payments, licensing operators, and identifying players.

From Blockchain to Betting Slip: Should crypto wagering be controlled?

A review of a cross-section of major betting markets (see below figure 10) indicates that crypto assets are not specifically authorised in law or gambling regulation in most jurisdictions.

Country/ Territory	Crypto gambling specifically authorised	Crypto assets specifically authorised
Argentina	No	Yes (but not legal tender)
Australia	No	Yes (but not legal tender)
Brazil	No	Yes (but not legal tender)
Canada	No	Yes (but not legal tender)
China	No	No
Estonia	Yes (for deposits and betting, but must verify source of crypto)	Yes (but not legal tender)
France	No	Yes (but not legal tender)
Germany	No	Yes (but not legal tender)
Hong Kong, China	No	Yes (but not legal tender)
Italy	No	Yes (but not legal tender)
Israel	No	Yes (but not legal tender)
Japan	No	Yes (but not legal tender)
Malta	Yes (for deposits but must convert to fiat currency for betting)	Yes (but not legal tender)
Mexico	No	Yes (but not legal tender)
UK	Yes	Yes (but not legal tender)
USA	No (crypto deposits allowed in several states)	Yes (but not legal tender)

Figure 10: Legality of cryptocurrency betting across 16 different countries & territories

In most cases there is no specific prohibition of the use of cryptocurrencies, which is likely to be due to most laws and regulations being drafted before the use of crypto in betting markets became widespread. Because of this, in most jurisdictions whilst there is no specific prohibition there is also no specific authorisation for the use of crypto assets.

It is clear from this scan of the regulation of cryptocurrency use in gambling and of cryptocurrencies as a financial asset class, that the former is almost entirely unregulated whilst the latter is increasingly regulated. This presents a major dilemma for governments as the use of cryptocurrencies for sports betting and gambling is growing quickly and may amount to over \$200 billion by 2030. If this activity is not regulated, consumers will transition to the illegal betting markets to use crypto.

Online sports betting and other gambling is increasingly an international activity as consumers seek choices of better products and prices, added to which will be a customer desire to use cryptocurrencies to gamble. Some regulatory influence to protect consumers is essential which begs the question: who regulates this?

As explained previously in this report, cryptocurrency is increasingly an asset class rather than a currency and regulated as such by banking and financial sector regulators. With consumers increasingly comfortable operating in a regulated space to own and trade crypto assets, there will be a desire to be able to use that asset for sports betting and other gambling. There is a fundamental contradiction in customers being allowed to own crypto, but not to use it.

The obvious solution would be that taken in Estonia and Malta, where crypto is allowed to be used as a deposit into gambling accounts but must be converted into the local fiat currency to be used for sports betting and other gambling. Customers would be able to use crypto that is legally held as an asset, and gambling operators would be able to build crypto deposits into established KYC and AML processes. Gambling regulators would have a clear point of regulation where crypto enters legal sports betting and other gambling markets.

If crypto is not addressed by national gambling regulators then there is a significant risk that a parallel system of illegal online sports betting and other gambling will develop internationally with consumers forsaking legal regulated markets. Such an outcome has worrying risks for increased financial crime and greater gambling harm to consumers, both of which are core responsibilities for national gambling regulators.

Conclusion

This report concludes that the adoption of cryptocurrencies as a means of betting account deposit and withdrawal by illegal online betting operators is accelerating rapidly, driven by broader market trends and the appeal of crypto's unique features. With 43% of illegal operators now accepting cryptocurrency deposits—up from 25% in early 2024—this shift is increasingly reshaping the wider online betting landscape. The increasing popularity of crypto among bettors, particularly younger, tech-savvy customers, is further incentivizing operators to offer crypto-specific promotions and rebates, creating a feedback loop that reinforces crypto's role in illegal betting ecosystems.

Despite the operational benefits that cryptocurrencies offer, such as faster transactions, lower fees, and enhanced privacy, their use in betting markets presents significant risks. Chief among these is their facilitation of money laundering and other criminal activity, enabled by cryptocurrencies' pseudo-anonymity, decentralized infrastructure, and the proliferation of cryptocurrency-specific, privacy-enhancing bolt-on technologies. The report highlights how these features are exploited by bad actors, with crypto laundering techniques becoming increasingly sophisticated and harder to detect, posing a growing threat to financial integrity and consumer safety.

Moreover, the report finds that most cryptocurrencies used by illegal betting operators are not suitable direct mediums-of-exchange. Only 35% of the cryptocurrencies observed were currency coins, and even these fail to fulfill the full functions and attributes of money, particularly as stable stores of value. The volatility, fragility, and lack of institutional backing of cryptocurrencies undermine their reliability in the betting cycle, making them ill-suited, in their current form, as a function of betting deposit, play, and withdrawal. This is compounded by the absence of robust consumer protections and financial safeguards within the crypto ecosystem.

The regulatory landscape is also ill-equipped to address the challenges posed by crypto betting. While financial regulators have begun to impose controls on crypto assets, gambling regulators have largely failed to keep pace. The result is a growing parallel market for online betting that operates outside of national regulatory frameworks, undermining efforts to prevent gambling harm and financial crime. Without coordinated regulatory intervention, this trend will continue, eroding the effectiveness of existing gambling controls and exposing consumers to heightened risks.

Considering these findings, the report concludes that cryptocurrencies, in their current form, are a high-risk medium-of-exchange for the betting industry. Their structural flaws, criminal facilitation, and incompatibility with established monetary principles necessitate urgent regulatory attention.

Notwithstanding this high risk, crypto assets are becoming increasingly regulated as financial instruments in many jurisdictions as governments seek to utilise the benefits to the financial system. Consequently, it is likely that the use of cryptocurrencies will continue to grow, and this requires that gambling regulation in all jurisdictions be expanded to take account of this. Governments and gambling regulators must act decisively to close the gaps in oversight, ensuring that crypto use in betting is subject to the same standards of transparency, accountability, and consumer protection as traditional financial systems. If governments and gambling regulators do not review and update their laws and rules relating to the use of crypto in betting and other gambling, then this will enable illegal betting markets to continue to expand faster and more widely than their legal counterparts.

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