

The Role of Regulation in the Gambling Industry in Nigeria

IKENNA CHARLES ONYEBUENYI¹, AKPEVWE TENE-OMADIDE²

¹ Economics, Michael Okpara University of Agriculture

² Economics, University of Port Harcourt

Abstract- Gambling in Nigeria has shifted from small, local pastimes to a large, digital industry driven by cheap smartphones, growing internet access and a very young population. This paper examines how regulation shapes that change and whether current rules protect citizens while capturing economic value. Using a documentary and comparative policy review of federal instruments and four state case studies (Lagos, Anambra, Oyo, Bauchi), the study maps licensing, advertising, consumer protection, AML, taxation and enforcement practices. It finds a fragmented regulatory landscape: overlapping federal and state powers, uneven enforcement, limited public reporting, and a growing offshore/white-label market that drains revenue and weakens consumer safeguards. Economically, sports betting supports micro-enterprises, creates local jobs and offers a potentially large tax base, but it also causes household financial strain, productivity losses and mental-health harms concentrated among young people. The paper argues that these outcomes are policy-dependent: sensible, harmonised regulation can capture revenue, protect consumers and fund harm-reduction, while punitive or patchwork approaches push activity underground. Practical recommendations include a phased mutual-recognition pilot for licences, mandatory standardised public reporting, minimum national responsible-gaming and AML standards, formal technical MoUs with banks and telecoms, and ring-fenced funding from licence fees for prevention and treatment. These measures aim to turn a partly informal, risky market into a legitimate contributor to jobs and public revenue without unduly restricting economic opportunity.

Index Terms- Gambling regulation, Sports betting, Nigeria, Online gambling, Economic impact

I. INTRODUCTION

Gambling in Nigeria has shifted from a marginal pastime to a visible, everyday industry. In cities and towns neon bet-shop signs line streets, mobile apps let people wager in seconds, and gambling adverts saturate TV and social media. Cheap smartphones, expanding internet access and a very young population have been the main drivers of this change, turning sports betting and instant online

games into mass-market leisure activities (1). The modern market mixes licensed local operators, international platforms, and a large informal sector. That mix produces jobs, agency incomes and taxable turnover but it also brings social risks that sensible regulation must manage (2,3).

Regulation matters because it shapes whether gambling develops into a legitimate, accountable sector or into a source of fraud, addiction and lost public revenue. Good rules protect consumers, enforce fairness, restrict underage access, and ensure taxes and levies are collected for public goods (4,5). Regulation also pushes operators to adopt harm-minimisation tools age checks, deposit limits, self-exclusion, clear complaints procedures and to meet anti-money-laundering (AML) duties that reduce criminal misuse of platforms (6,7).

Yet Nigeria's regulatory landscape is fragmented. Federal instruments, state laws and multiple regulators overlap; enforcement is uneven; and many online products including white-label and offshore platforms evade straightforward oversight (8,9). The practical consequences are significant: states have adopted diverging tax and licence regimes, regulators publish little comparable data on market size or enforcement, and offshore platforms drain revenue while offering limited consumer protections (1,3). Public-health work also flags rising problem gambling among young people, who are the heaviest internet users and most exposed to marketing (10,11,12). Without clearer policy the social costs addiction, debt, family stress may outweigh the benefits.

This paper addresses those gaps in three ways. First, it maps current federal and selected state regulatory instruments to show how licensing, advertising, consumer protection and AML obligations are written and (or not) implemented (7,9,13). Second, it benchmarks enforcement and transparency against regional and international practice (3). Third, it

examines economic and fiscal impacts, focusing on realistic policy levers tax design, reciprocal licensing and cooperation with banks and telecoms that can capture revenue and reduce harms without driving activity offshore (5,14). The study uses document review and targeted state case studies (Lagos, Anambra, Oyo, Bauchi) to keep recommendations practical and implementable.

II. EVOLUTION OF GAMBLING IN NIGERIA

Gambling in Nigeria has deep roots that pre-date digital technology. Traditional games of chance, street lotteries and local wagers were part of social life in many communities; British colonial influence later introduced formal forms such as horse racing and pools, which became institutionalised during the 20th century (15). For decades the market consisted of a mix of formal outlets government lotteries, licensed pools and occasional gaming houses and an informal sector operating alongside them. That dual system, legal and informal, is a pattern familiar in many countries (15,16).

Two changes in the last decade transformed the scale and shape of gambling in Nigeria. First, rapid digital adoption: falling handset costs and cheaper data put smartphones and internet access into the hands of millions. The World Bank documents this regional digital surge, with Nigeria a central market (14). Second, operators both local and international moved rapidly online, offering in-play betting, virtual sports and app-based games that deliver instant results. These product and delivery changes made gambling continuous and always available: people can bet during a TV match, on commute breaks, or from home (16,17).

The product mix widened. Virtual sports and fast-cycle casino-style games (aviator/crash games, plinko) grew because they offer rapid outcomes and frequent play, which increases engagement and, for some, addictive potential (18). Sports betting especially football became dominant. Heavy advertising, celebrity endorsements and social-media campaigns normalised betting as part of fan culture and expanded uptake among youth (19,20).

Locally, betshops and agent networks proliferated, creating micro-enterprise opportunities in contexts of high unemployment. Studies show these outlets

supply incomes to agents and ancillary workers (attendants, vendors), and viewing/betting centres become small businesses in their own right (21,22). This economic side explains part of the market's social acceptance in many communities: betting is both leisure and an income strategy where formal employment is scarce (23).

But digital expansion widened enforcement gaps. Offshore platforms, white-label providers and mobile distribution channels can target Nigerian users from abroad; short code payments and wallet transfers complicate regulatory tracing. Many operators host servers overseas or structure sees through third-party providers, reducing domestic jurisdiction and limiting tax capture (7,8). Where local licensing systems are weak or inconsistent, players often cannot tell if a platform is licensed or accountable (14,16).

Youth exposure is central and worrying. Research consistently finds higher prevalence of betting among 18–30-year-olds, linked to peer networks, easy app access, low-cost data bundles and hopes of quick earnings (19,24). Qualitative studies of bettors document both occasional wins that finance small businesses and chronic losses that erode household budgets, damage relationships and harm mental health (25,26).

Regulatory complexity matters for outcomes. States have moved in different directions: Lagos has modernised its framework and pursues active licensing and compliance, while some states retain penal approaches that push activity underground (9,13). Where regulation is coherent and enforced, revenue capture and consumer protections improve; where it is fragmented or punitive, activity migrates offshore or into informal channels, raising social and fiscal costs (3,7).

Finally, the market now converges with wider digital entertainment industries. Operators use data analytics, push notifications and app features to maximise engagement; regulators therefore need comparable digital skills software certification, RNG testing, transaction logging and cooperation with telecoms and payment service providers to oversee a sector that moves as fast as the technology supporting it (20,27).

In short, Nigeria's gambling evolution runs from traditional local games to a hybrid, digitally enabled industry. The drivers' technology, youth demographics and limited formal jobs create real economic activity but amplify risks. Policy must therefore align licensing, digital enforcement and harm reduction to harness benefits while limiting the growing social costs (14,16,20).

III. METHODS

This study uses a mixed qualitative approach centered on documentary and comparative policy analysis. The aim was to map regulatory instruments, assess enforcement and reporting practices, and identify practical reforms that fit Nigeria's federal-state context.

Data sources. The research relies on publicly available legal texts, regulator guidance and reports, policy trackers, peer-reviewed literature, and reputable secondary sources. Key documentary sources included state statutes and guidelines (for example Lagos State Lotteries and Gaming Authority publications), the national regulatory framework as described in earlier federal instruments, and the Aluko & Oyeboode 2025 state tracker to identify recent legislative changes and court outcomes (9,13,28). Academic and policy literature (2,3,7) provided regional context and comparative benchmarks. Supplementary context on digital adoption and youth exposure came from World Bank and media reporting (1,14).

Case selection. Four states (Lagos, Anambra, Oyo, Bauchi) were selected as purposive case studies to illustrate regulatory variation across Nigeria: Lagos (mature, active regulatory practice), Anambra (emerging/state reform), Oyo (established mid-level regime), and Bauchi (penal/prohibitory approach). These cases were chosen to show contrasts in licensing, enforcement, taxation, and responsible-gaming (RG) practice and because up-to-date material on these states was available in the documentary record (9,13).

Analytic framework. Documents were reviewed and summarised against six policy functions: licensing, enforcement/reporting, consumer protection/RG, advertising, AML/payment integrity, and taxation to identify statutory requirements, enforcement powers, and gaps across jurisdictions.

Synthesis and recommendations. Findings from the documentary review and state case comparisons were synthesised to produce practical, actionable recommendations emphasising reciprocity mechanisms, technical MoUs with banks/telecoms, minimum RG standards, and phased implementation strategies.

Limitations. The study is desk-based and depends on the availability and transparency of public documents; many Nigerian regulators do not publish regular, comparable data, which constrains quantitative assessment of market size, tax flows, or enforcement outcomes. Where official statistics were absent, analysis focused on policy design rather than measurement of compliance rates. The paper therefore aims to be diagnostic and prescriptive rather than an empirical evaluation of enforcement performance.

Ethics and transparency. All sources are cited and publicly accessible; no primary human subjects' research was conducted for this paper.

IV. REGULATORY FRAMEWORK IN NIGERIA

Nigeria's gambling regulation is best described as a patchwork: a mix of older federal instruments, many state laws, and multiple regulators that vary widely in capacity and practice. For years the National Lottery Act (2005) and its 2007 regulations enforced by the National Lottery Regulatory Commission (NLRC) were treated as the centrepiece of national oversight (7). A late-2024 court decision shifted that balance by confirming that states hold primary legislative power over gaming within their borders, pushing most day-to-day regulation down to state authorities and creating a two-level reality where national wording exists but state implementation drives outcomes (9,8).

That state-centred reality produces large practical differences across Nigeria. Lagos is the most developed regulator: the Lagos State Lotteries and Gaming Authority (LSLGA) now issues online and retail licences, runs compliance programmes and has adopted international standards for information security and operations (13). Other states rely on older statutes or have only recently modernised their laws; some northern states still use penal codes that criminalise many forms of gambling, while many

southern states use explicit licensing regimes for betting and lotteries (9). The result is real uncertainty for operators on where to licence, which fees apply, and which taxes are due.

Core regulatory functions exist in most laws licensing, software and technical checks, advertising controls, consumer protection, AML obligations, and powers to suspend or revoke licences but the details differ: licence categories, fee levels, duration (annual to five years), and foreign-investment rules vary by state (7). Typical application requirements (business plans, certified software, bank guarantees, due diligence visits) are common, yet processing time and costs are inconsistent.

On paper, advertising, responsible gambling (RG) measures and AML are priorities: age verification, deposit limits, self-exclusion tools and ad codes to avoid targeting minors are often required; operators are designated as non-financial institutions with duties to report suspicious transactions (7,28,29). In practice enforcement is uneven. Few regulators publish regular enforcement reports, real-time compliance monitoring is rare, and many states lack the digital tools to audit software or transaction logs (3).

The biggest headache is the online/offshore market. Many platforms targeting Nigerian users operate from abroad, use white-label arrangements, or rely on short codes and mobile channels that are hard to police; blocking or deterrence efforts with telecoms and payment providers are ad hoc and slow (7,8). Rapid product innovation (virtual sports, in-play markets, fast-cycle games) further outpaces older laws and guidance (3).

Administrative problems follow the legal fragmentation. Overlapping licensing and taxation claims lead to double licensing, double taxation, or experimental levies (withholding taxes on winnings) that operators find impractical; poorly designed fiscal rules risk driving business offshore or into informal channels, reducing consumer protection and tax capture (9).

From a governance and public-health standpoint Nigeria shares common regional weaknesses: sparse public reporting by regulators, weak digital-era marketing controls, and limited capacity for AML detection and software audits (3). These gaps hinder

measurement of industry size, the scale of unlicensed activity, and the prevalence of harms such as youth addiction.

Practical remedies are available. A mutual-recognition (reciprocity) regime among willing states would cut duplication while respecting state autonomy; mandatory, standardised annual reporting would improve transparency; legally binding minimum RG and AML standards would raise the floor across jurisdictions; and formal technical MoUs with telecoms, banks and payment service providers would make digital enforcement feasible. Finally, targeted capacity building for state regulators software audits, data analytics and AML detection is essential to turn legal frameworks into effective oversight (3,9).

V. STATE CASE STUDIES

Nigeria's gambling regulation varies widely by state. Four illustrative cases Lagos, Anambra, Oyo, and Bauchi show how legal diversity affects licensing, revenue, and enforcement (9,13).

Lagos State: Lagos has the most advanced regulatory system through the Lagos State Lotteries and Gaming Authority (LSLGA). It licenses both retail and online betting, casinos, and virtual games under the 2021 Law. The LSLGA enforces age verification, AML reporting, and ISO-aligned information security standards. Lagos also collects steady revenue through licence fees and a "Good Causes Levy," showing how clear rules and active supervision can support both compliance and taxation (7,13).

Anambra State: Anambra is reforming its framework. Draft gaming laws (2019–2024) and the planned State Gaming Board introduce online-betting and sports-lottery licences with standard clauses on age control and advertising. Implementation remains in early stages, but the reforms reflect an effort to formalise and capture state revenue from the growing market (9).

Oyo State: Oyo operates a moderate regulatory model. The Oyo State Gaming Board issues licences for sports betting, lotteries, and casinos under the 2018 Law. The system requires AML compliance and sets annual licence fees, but enforcement capacity and public reporting remain limited

compared with Lagos. Nevertheless, Oyo demonstrates that consistent, mid-level regulation can sustain a legal market outside major urban centres (9).

Bauchi State: Bauchi maintains a prohibitory stance. Its penal code and 2019 law ban most gambling activities, treating them as criminal offences. With no licensing or revenue framework, betting persists informally and underground, offering little consumer protection or fiscal return. This contrast highlights the trade-off between moral restriction and lost economic oversight (9).

Summary: These four cases reveal a fragmented system ranging from full regulation (Lagos) to total prohibition (Bauchi). The absence of harmonised rules leads to double taxation, inconsistent AML and RG standards, and regulatory confusion for operators. A reciprocity model among reform-oriented states could reduce duplication and improve transparency while preserving state authority (3,7).

VI. ECONOMIC & FINANCIAL IMPACTS

The economic footprint of sports betting in Nigeria is significant but mixed: it creates visible pockets of income and entrepreneurship while also producing fiscal leakages and household-level harms. Multiple empirical studies from Nigeria show a clear two-sided picture: betting generates jobs, informal micro-enterprises and some government revenue, yet it also creates financial strain for many households and channels value offshore.

On the positive side, sports betting supports micro-business formation and direct employment. Local studies document how betshops, betting agents and viewing/betting centres function as small and medium enterprises that provide incomes in contexts of high unemployment (21,22). Empirical surveys report that bettors and agents sometimes use betting returns to start micro-enterprises or meet daily expenses, making the sector a de-facto livelihood strategy for some youth and informal workers (23,26). The presence of professional sports-viewing and betting centres also produces secondary employment (attendants, vendors, transport), suggesting local multiplier effects in certain communities (21).

Government revenue potential exists but is unevenly realised. Several authors note that formalised, licensed betting channels can generate licence fees, levies and tax receipts for states that regulate actively; Lagos and a few other jurisdictions demonstrate how state levies and licensing frameworks can produce predictable receipts when enforcement and reporting exist (7,13). At the same time, studies and reviews warn that a sizeable share of value is leaking to offshore platforms or unlicensed operators, which both reduces domestic tax take and undermines consumer protections (30,31). One review notes the Nigerian sports-betting market is large in scale and youth-driven, making the potential fiscal base substantial if properly captured (31).

The economic costs and financial risks are substantial and concentrated among vulnerable groups. Multiple surveys across states document that many bettors experience net losses over time, resulting in household financial strain, poorer academic outcomes for students, and deteriorating mental health for some (22,25,32). Studies in Lagos and Benue identify displacement of household spending and increased indebtedness among regular bettors, particularly young men with limited stable income (22,26). These social costs impose indirect public costs (health, counselling, productivity losses) that are rarely quantified in Nigerian budget planning.

Market structure and fiscal design matter for outcomes. Where regulation is patchy or punitive (e.g., prohibitory state approaches), activity tends to move underground, reducing visible tax receipts and consumer safeguards (7,9). Conversely, jurisdictions that combine clear licensing, sensible taxation and practical compliance monitoring (benchmarked by international reports such as the UK Gambling Commission and South African reviews) capture more revenue while maintaining stronger consumer protections (33,34).

Practical implications for policy are immediate. First, realistic, administratively simple taxation (turnover-based or modest “win” levies) alongside enforceable licences will help shift activity into the taxable, regulated sector without forcing bettors offshore (21,26). Second, targeting support to the micro-businesses that depend on betting via registration, training and basic tax compliance help

can convert fragile livelihoods into more sustainable SMEs (21). Third, because household harms reduce long-run productivity, a small, ring-fenced share of licence fees should fund prevention and treatment services; studies repeatedly link gambling harms to real economic losses at household and community levels (22,32).

In sum, sports betting in Nigeria creates both measurable economic opportunities and clear financial risks. Policy that captures revenue transparently, supports the small businesses tied to the sector, and mitigates household harms will convert an informal, partly offshore market into a legitimate contributor to growth and fiscal resilience (26,33).

VII. THE ROLE OF REGULATION

Regulation in the gambling sector does practical work: it protects consumers, preserves market fairness, prevents criminal misuse, secures public revenue, reduces social harms, and ensures business transparency (4,29). In Nigeria where betting rapidly moved from street shops to smartphones these tasks are urgent. Good regulation lets legal operators grow while keeping players safer and ensuring the state captures revenue; weak regulation drives activity underground, exposes young people, and magnifies harms (2,3).

Consumer protection is fundamental. Regulators must ensure games are fair, payouts honoured, and technical security prevents fraud or data breaches a key concern where many transactions flow through mobile money and third-party services. This requires certified software, regular testing, clear complaints mechanisms and standards for data protection. Without them, users risk losing savings or suffering identity theft. (27,28,29).

Revenue capture is the second major role. Licensed markets provide licence fees, levies and taxes that fund public services and shrink the informal sector that robs the treasury. Nigeria's large, youth-driven market represents a sizeable fiscal opportunity if taxation is fair and enforceable; overly punitive taxes, however, push customers to offshore or unlicensed platforms and erode the tax base (4,5,7).

Regulation also preserves market integrity. Anti-fraud, anti-collusion and competition rules prevent

rigging and exploitation, sustaining public trust in licensed firms. Public confidence matters: bettors are likelier to use regulated services when they believe outcomes are fair (6,29).

Protecting vulnerable groups is another priority. Responsible-gambling (RG) measures age checks, deposit limits, self-exclusion and advertising controls reduce youth exposure and problem gambling. In Nigeria, where a large share of the population is young and internet access is widespread, enforceable RG standards are essential to limit addiction, debt and family stress (2,11,29).

AML and payment-integrity duties complete the regulatory toolkit. Betting platforms can be misused for money laundering unless subject to financial checks. Nigerian law already designates operators as non-financial institutions with reporting duties; effective regulation needs active monitoring, bank and fintech cooperation, and operator training in suspicious-transaction reporting to reduce criminal infiltration (Law Allianz, 2019; NLRC, 2025).

Advertising rules matter too: uncontrolled marketing normalises gambling among youth. Time-of-day limits, content restrictions and placement rules prevent ads from targeting children or appearing next to youth programming (3,29).

Finally, regulation must keep pace with technology. Online live-betting, virtual games and white-label platforms require technical oversight: certified RNGs, software audits, algorithm monitoring and transaction logging. Regulators need technical capacity and formal MoUs with telecoms and payment providers to block or trace unlicensed offshore operators (6,27).

Despite these roles, Nigeria's regulatory system has key gaps: fragmentation across states causes duplication and uncertainty; transparency is limited as few regulators publish comparable enforcement or industry data; technical and enforcement capacity is uneven; and RG standards are applied inconsistently (3,9,28,29).

This study maps which regulatory functions exist or are missing across selected states, evaluates enforcement of technical standards and AML cooperation, and examines how RG measures operate in practice. Practical reforms reciprocity

licensing among willing states, mandatory public reporting, minimum national RG/AML standards, and formal technical MoUs with banks and telecoms would let Nigeria capture economic benefits while protecting citizens. Regulation should not stifle the market; it should make it accountable, safe, and fiscally productive (4,5).

VIII. CHALLENGES OF REGULATION IN NIGERIA

Regulating the gambling industry in Nigeria has proven to be a complex task. Although the country has established formal regulatory structures such as the National Lottery Regulatory Commission (NLRC) at the federal level and various state lottery boards, a number of persistent challenges limit their effectiveness. These challenges reflect both institutional weaknesses and the fast-changing dynamics of the gambling sector.

1. Overlapping Roles Between Federal and State Regulators

One of the most pressing issues is the conflict of authority between the NLRC and state-level agencies. For example, Lagos State operates its own Lottery and Gaming Authority, which insists on issuing licenses to betting operators within its jurisdiction, while the NLRC claims that all operators across Nigeria must obtain federal approval. This duplication not only creates legal disputes but also confuses businesses, who sometimes end up paying for both federal and state licenses. The result is regulatory uncertainty that discourages investment and complicates tax collection.

2. Rise of Online and Offshore Gambling Platforms

The rapid expansion of internet and mobile phone usage in Nigeria has shifted much of the gambling market online. Many Nigerians now place bets on international platforms such as Bet365, 1xBet, and Betway, which are licensed abroad but easily accessible in Nigeria through apps and websites. Since these companies do not pay local taxes or comply with Nigerian laws, the government loses significant revenue. Moreover, players using offshore platforms are not protected if disputes arise, because Nigerian regulators lack jurisdiction over these operators. This creates an uneven playing field for local companies who must comply with strict licensing fees and tax obligations.

3. Weak Enforcement and Corruption

Even within the domestic market, enforcing gambling regulations remains weak. It is common to find small operators running betting shops without valid licenses or with expired permits. In some cases, regulators are aware of these activities but fail to act, either due to resource limitations or corruption. Enforcement officers sometimes accept informal payments from operators, allowing them to continue business without meeting regulatory requirements. This undermines the credibility of the regulatory system and reduces public trust.

4. Inadequate Policies on Responsible Gambling

Another challenge is the limited attention given to responsible gambling. Unlike countries such as the United Kingdom or South Africa, Nigeria has not implemented strong safeguards against problem gambling. Self-exclusion systems, counseling programs, or restrictions on gambling advertisements are either absent or poorly enforced. The consequence is that vulnerable groups particularly young people and low-income earners are exposed to the risks of addiction, financial losses, and related social problems (2).

5. Technological and Capacity Limitations

Many Nigerian regulatory agencies lack the tools and expertise to monitor the gambling industry effectively. Real-time monitoring systems, which are used in more developed jurisdictions to track betting transactions and ensure fair play, are largely unavailable in Nigeria. Regulators often rely on manual inspections and self-reporting by operators, leaving room for tax evasion and underreporting of revenues. This gap becomes more problematic as gambling shifts online, where transactions occur rapidly and across borders.

6. Social and Cultural Barriers

Finally, regulation is complicated by social and cultural perceptions of gambling. In some Nigerian communities, gambling is considered morally wrong, while in others it is seen as a harmless pastime. These divergent views influence how strictly state authorities enforce gambling laws. For instance, some states tolerate informal betting operations for their economic benefits, while others attempt to ban them entirely, creating inconsistency in the national framework.

Summarily, the challenges facing gambling regulation in Nigeria reflect both institutional weaknesses and the rapid evolution of the industry. Overlapping regulatory authority, the growth of online platforms, enforcement difficulties, inadequate responsible gambling policies, and weak technological capacity continue to hinder effective governance. Unless these issues are addressed, the industry risks becoming a source of social harm and lost revenue rather than a well-managed contributor to economic development.

IX. OPPORTUNITIES FOR IMPROVEMENT

While the Nigerian gambling industry faces serious regulatory challenges, there are equally clear opportunities for strengthening oversight and making the sector more sustainable. Properly implemented, these opportunities can help the industry generate legitimate revenue, protect consumers, and align Nigeria with international standards.

1. Clearer Harmonization Between Federal and State Frameworks

The ongoing dispute between the National Lottery Regulatory Commission (NLRC) and state lottery boards is one of the biggest obstacles to effective governance. An opportunity exists to create a harmonized regulatory framework that clearly defines the roles of federal and state authorities. For example, federal regulation could focus on online and cross-border gambling operations, while states manage retail and local betting shops. This division of responsibilities would reduce duplication, prevent multiple taxation, and provide businesses with clarity on compliance requirements. The model could be guided by federal–state coordination mechanisms already used in sectors such as taxation and broadcasting.

2. Adoption of Advanced Monitoring Technology

Regulatory agencies in Nigeria have an opportunity to modernize their monitoring systems by investing in real-time tracking technology. Countries such as South Africa have adopted integrated systems that allow regulators to monitor betting transactions electronically, ensuring transparency and accurate tax collection. For Nigeria, adopting similar systems would address underreporting by operators and help regulators enforce fair play. Partnerships with local fintech companies or technology vendors could

provide cost-effective solutions suited to Nigeria's growing digital economy.

3. Stronger Responsible Gambling Campaigns

Responsible gambling remains underdeveloped in Nigeria, but there is room for significant improvement. Regulators and operators could collaborate on awareness campaigns to educate the public on the risks of excessive betting. Measures such as voluntary self-exclusion programs, restrictions on gambling advertising during certain hours, and helplines for problem gamblers could help reduce the social harms of gambling. These initiatives are already in place in markets such as the UK, where the Gambling Commission enforces strict advertising standards and supports organizations like GambleAware. Nigeria can draw from these lessons while adapting to local cultural and social realities.

4. Collaboration With Banks, Telecoms, and Fintech

Given the dominance of mobile money and online transactions in Nigeria, regulators have an opportunity to improve oversight by working with banks, telecom providers, and fintech companies. For instance, mobile operators already process large volumes of betting-related payments through airtime and wallet transfers. By requiring financial institutions to report gambling transactions, regulators could build stronger data systems for monitoring revenue flows, identifying unlicensed operators, and preventing money laundering. This approach would also make tax collection more efficient, since betting payments often pass through traceable channels.

5. Learning From International Best Practices

Finally, Nigeria has much to gain from studying international models. The UK Gambling Commission is widely regarded as one of the most effective regulatory bodies in the world, emphasizing consumer protection, transparency, and strict licensing. Similarly, South Africa's National Gambling Board has developed regionally relevant practices, such as central monitoring of electronic gambling machines and clear frameworks for provincial regulators. By studying and selectively adapting these best practices, Nigeria can strengthen its gambling regulation without reinventing the wheel. The goal is not to copy foreign models wholesale, but to extract lessons that suit Nigeria's unique environment.

X. CONCLUSION

Nigeria stands at a regulatory crossroads. The gambling sector already delivers real, measurable value jobs for agents and attendants, micro-enterprise opportunities around betshops and viewing centres, and a potentially large tax base but those gains sit beside real and growing harms: household debt, loss of productivity, rising problem gambling among young people, and revenue leakage to offshore operators. This study has shown that those two outcomes are not inevitable twins; they are the product of policy choices. Regulation if coherent, proportionate and technologically competent can steer the market toward the benefits while materially reducing the harms.

Three clear truths emerge. First, fragmented rules and overlapping authority create perverse incentives. When states and the federal level push inconsistent licence requirements, tax regimes and enforcement practices, operators face duplication and confusion; some flee to offshore platforms, others exploit weak enforcement. Second, technology has changed the game. Mobile apps, virtual sports and white-label providers demand a regulatory toolkit that understands real-time data, transaction flows and algorithmic product design. Third, social harms are not externalities that the sector or the state can ignore. Young people, students and low-income households are disproportionately exposed; prevention, treatment and public education must be funded and integrated into regulatory design.

From those truths follow three practical priorities. 1) Harmonise and simplify. A mutual-recognition (reciprocity) pilot among willing states beginning with Lagos and a small coalition of reform-ready jurisdictions would cut administrative duplication, improve clarity for operators, and make cross-state enforcement more practical. 2) Make technology central. Regulators must require certified software, basic transaction logging, and interoperable reporting standards; and they need formal MoUs with telecoms and payment providers so unlicensed offshore activity can be blocked or traced. 3) Embed harm reduction into the fiscal model. Licence and levy structures should be sensible (avoiding punitive tax rates that drive customers offshore) and must include a small ring-fenced share for prevention, treatment and research into gambling harms.

Implementation should be phased and evidence-led. Start with non-controversial measures (standardised public reporting, minimum RG features such as deposit limits and self-exclusion, basic AML registration) and a one-year pilot reciprocity scheme with mandatory reporting. Use the pilot to collect comparative data, then scale practical, evidence-based measures nationally. Capacity building is essential: state regulators will need targeted training on software audits, AML detection and digital forensics; these investments are justified by the revenue capture and risk reduction they enable.

Regulation must also respect economic realities. Many livelihoods depend on betting-related micro-businesses; heavy-handed prohibition simply pushes activity underground and increases harm. The objective should be to create regulated, taxable channels that are accountable and safer not to eliminate demand. That balance requires pragmatic policy levers: modest, administratively simple taxation; easier compliance pathways for small operators willing to formalise; and public-private collaboration on prevention and consumer education.

Finally, governance must be transparent and accountable. A national–state regulator forum, with published minutes and annual comparative reporting, would make progress visible and build public trust. Transparent reporting lets researchers and policymakers target interventions where they matter most.

If Nigeria adopts these pragmatic steps harmonisation, digital enforcement, harm-funding through licence fees, and capacity building it will not only protect citizens but also secure a sustainable, legitimate industry that contributes to jobs and public revenue. Regulation, done well, converts a risky market into a productive sector. That is the policy choice before Nigeria: to let fragmentation and inertia govern the future, or to use regulation deliberately to shape an industry that works for the country.

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