iGaming in Canada: 2024 deals a strong hand and a few wildcards for 2025

February 10, 2025

A review of Canadian iGaming developments in 2024 and what's to come in 2025.

What you need to know

- **All eyes on Alberta**. While optimism around the timing surrounding a potential 2025 launch of a regulated online gaming market in Alberta has been tempered, efforts remain underway to create a thoughtful regulatory structure and substantial updates regarding the market's strategy and structure are expected in the near term. Alberta continues to be a key market to watch in the months ahead as it pushes to roll-out a regulated iGaming market similar to the structure currently in place in Ontario perhaps as soon as late 2025/early 2026.
- **Canadian Lottery Coalition (CLC) and AGCO ramp up efforts to tackle grey market.** In precedent-setting move, Manitoba Liquor & Lotteries (MBLL), on behalf of the CLC, has filed an injunction to bar Bodog, an offshore grey market operator, from operating in the province. This is a first-of-its-kind action taken by the CLC and its treatment in court will inevitably reverberate across the Canadian gaming landscape. Meanwhile, the AGCO is continuing its efforts to buttress Ontario's regulated iGaming market. In its most recent annual report, the AGCO emphasized its ongoing collaboration with international jurisdictions to "tackle" the unregulated iGaming market in Ontario and that it is currently working on a "comprehensive strategy" to limit industry access to the unregulated market and increase public awareness regarding same.
- **Ontario's reference on international play moves forward.** In November 2024, a five-judge panel heard arguments in respect of Ontario's reference on international play at the Court of Appeal for Ontario (the Court). The Court's highly anticipated decision is expected in 2025, with a favourable finding holding the potential to significantly expand online gaming offerings in Ontario, particularly in respect of poker, daily fantasy sports (DFS) and other peer-to-peer games.
- **iGaming Ontario (iGO) Updates:**
    - *Latest market report and move to monthly reporting*. iGO closed out 2024 with another record quarter and has moved to monthly reporting of market performance. Total wagers, not including promotional wagers (bonuses), reached $22.7 billion in iGO's FYQ3 2024-2025, a 22 per cent increase

over the previous quarter and a 32 per cent over Q3 of last year. As of January 22, 2025, iGO has moved from quarterly market reporting to monthly reporting.
    - *Separation from the AGCO*. Since inception, iGO has operated as a subsidiary of the Alcohol and Gaming Commission of Ontario (AGCO). The Government of Ontario approved measures to end this parent-subsidiary relationship. iGO is expected to be a standalone entity in early 2025.
    - *Search for new Executive Director continues*. In August 2024, iGO announced that Executive Director Martha Otton intended to retire from her role at the end of the year. Executive Director Otton has now agreed to remain as iGO's chief executive until March 31, 2025, as iGO's board of directors continues its search for a successor.
- **Prorogation disrupts path for the *National Framework on Advertising for Sports Betting Act* (Bill S-269).** Prime Minister Trudeau's decision to prorogue federal parliament until March 24, 2025 significantly disrupts Bill S-269's path forward.
- **Anti-money laundering (AML) remains in focus.** Certain recent media reports have been misleading by failing to make clear that AML concerns around gambling in Ontario have been primarily attributed to unregulated iGaming sites. Registered iGaming operators continue to be subject to Canadian federal AML requirements as well as iGO's comprehensive AML program. Nevertheless, registered operators need to stay abreast of the numerous recent developments in Canadian AML laws and our experts are here to help.
- **This article is a follow up to our 2024 mid-year round-up.** Please refer to the foregoing link for further background on some of the topics below as well as our take on other important events that occurred in the first half of 2024.

All eyes on Alberta

Alberta is following in Ontario's footsteps. In May 2024, the Government of Alberta passed Bill 16, the *Red Tape Reduction Statutes Amendment Act*, which included amendments to the *Gaming, Liquor and Cannabis Act* to recognize that, in addition to the Alberta Gaming, Liquor and Cannabis (AGLC), the provincial government also has the authority to conduct and manage gaming in the province.

The passing of Bill 16 gave fodder to industry stakeholders awaiting a public announcement regarding a new regulated and competitive iGaming market in Alberta. On June 20, 2024, the big announcement came when, in speaking at the Canadian Gaming Summit, Dale Nally, Minister of Service Alberta and Red Tape Reduction, announced the province's intention to open a regulated, competitive iGaming market inspired by the current market in Ontario.

While there was optimistic speculation that a market launch could occur as soon as April 2025, subsequent updates have tempered such expectations, as stakeholders view late 2025/early 2026 as the earliest realistic possible launch date. In October 2024, Minister Nally's office advised that, while it still aims to lay out its market strategy in 2025, it is taking further time to gather input from industry stakeholders in order to ensure the market is met with a conducive business environment whilst also protecting the health and safety of Albertans, including their youth.

For stakeholders seeking the next regulated Canadian iGaming market outside of Ontario, Alberta remains as the space to watch. Please click the following link for commentary from BLG's Sports & Gaming Law Group Co-Chair, Cameron A. MacDonald and Senior Associate, Galen Flaherty, on how Alberta can best leverage the Ontario market experience: Ontario iGaming market growing fast, can serve as model for Alberta's market launch: lawyers.

BLG's national Sports & Gaming Law team remains on top of the latest developments in Alberta and we encourage all interested iGaming operators and suppliers to reach out with any questions as you consider future plans for expansion outside Ontario.

Canadian Lottery Coalition (CLC) and AGCO ramp up efforts to tackle grey market

CLC

On January 28, 2025, MBLL, on behalf of the CLC, filed an injunction application with the Manitoba Court of King's Bench seeking an order to prohibit Bodog, an offshore grey market operator, from doing business or advertising its services in the province. A court date is currently scheduled for March 5, 2025. The application alleges that the website bodog.eu and its sister site, bodog.net, are breaking the law by offering their services in Manitoba, where MBLL's PlayNow.com is the sole platform authorized by provincial law to offer iGaming products. In a statement to Canadian Gaming Business magazine, the CLC's Executive Director Will Hill noted that the CLC and its members "remain committed to the idea of addressing unlawful gambling through all available means." The CLC's membership includes MBLL, the Atlantic Lottery Corporation, the British Columbia Lottery Corporation, the Saskatchewan Indian Gaming Authority and Loto-Québec. This is a first-of-its-kind action taken by the CLC and its treatment in court will inevitably reverberate across the Canadian gaming landscape. Our national Sports & Gaming Law team are actively monitoring the application's progress.

AGCO

In its 2023/2024 annual report, released in January 2025, the AGCO emphasized its ongoing collaboration with international jurisdictions to "tackle" the unregulated iGaming market in Ontario. The report confirmed that the AGCO is in the process of drafting a "comprehensive strategy" to continue limiting access to the unregulated market and to increase public awareness "by delivering a second generation of high impact, coordinated and relevant regulatory activities." While the scope of the potential enforcement actions and strategies being considered requires further clarification, it should be noted that the Ontario iGaming market has had great success in channelizing Ontarians towards its regulated market, with a 2024 market survey conducted by IPSOS noting that 85 per cent study participants (who gambled online in Ontario) were doing so on regulated sites.

Ontario's reference on international play moves forward

On February 2, 2024, the Province of Ontario filed a reference (the Reference) with the Court to clarify whether permitting people in Ontario to participate in online games and betting involving players located outside of Canada would be consistent with the provisions of the *Criminal Code*.

The Reference was heard by the Court over three days of hearings in November 2024, and the decision is currently under reserve. The Court's highly anticipated decision is expected in 2025. Should the Court affirm the lawful nature of international play, as described by the province in the Reference, and assuming a scheme for international play is then implemented by Ontario, iGaming operators and consumers in the province would stand to benefit from shared liquidity with international markets, with the potential for significantly expanded peer-to-peer iGaming offerings (ex. DFS and poker) in Ontario. We note that any decision of the Court could potentially be subject to additional judicial review by the Supreme Court of Canada.

BLG was proud to represent NSUS Group Inc. and NSUS Limited, in their capacity as intervenors in the Reference.

iGO Updates

Latest market report and move to monthly reporting

In January 2025, iGO announced a move away from quarterly market reporting to monthly reports. Helpfully, the first monthly market performance report, released on January 22, 2025, is a comprehensive retrospective report which covers all iGO operators that had trading activity from the market's launch on April 4, 2022, until the most recently reported month (December 2024).

iGO also recently released a report of its Q3 performance for its 2024-2025 fiscal year (i.e. October 1, 2024 –December 31, 2024) which demonstrated the continued growth of Ontario's regulated iGaming market. The summary revealed $22.7 billion in wagers placed (not including promotional wagers) which represented a 22 per cent increase over the previous quarter and a 32 per cent increase when compared to Q3 of the previous year. Further, total gaming revenue of $825.8 million represented a 10 per cent increase over the previous quarter and a 25 per cent increase over Q3 of the 2023-2024 fiscal year. In total, 50 operators and 83 gaming websites (with gaming activity) participated in the market during the quarter.

A key finding from the report is the continued dominance of the iCasino segment of Ontario's regulated market. As an example, of the $22.7 billion in total wagers in the quarter, $18.9 billion (83 per cent) was on iCasino offerings, up 38 per cent from the previous year.

Separation from the AGCO

iGO's days as a subsidiary of the AGCO are numbered. Schedule 9 of Bill 216, *Building Ontario For You Act (Budget Measures), 2024*, which received Royal Assent on November 6, 2024; revokes regulation *722/21 (Lottery Subsidiary – iGaming Ontario)* under the *Alcohol* and *Gaming Commission of Ontario Act, 2019* in order to implement the *iGaming Ontario Act, 2024*, which will collectively serve to end the parent-subsidiary

relationship between AGCO and iGO allow iGO to continue as a standalone corporation without share capital.

The decision to make iGO independent now is commensurate with the continued growth of Ontario's iGaming market and the need to allow iGO to have greater flexibility and latitude in making its decisions and responding to market trends.

As of the date of writing, the *iGaming Ontario Act, 2024* has not yet been proclaimed, however, its proclamation is anticipated in 2025.

Prorogation disrupts path for the National Framework on Advertising for Sports Betting Act (Bill S-269).

Bill S-269, the *National Framework on Advertising for Sports Betting* (the Bill), a federal bill which proposed measures such as restricting non-broadcast iGaming advertising and limiting celebrity endorsements, completed third reading in the Canadian Senate on November 5, 2024. Although the Bill was set to move forward for consideration in the House of Commons, the Bill is now considered effectively terminated due to Prime Minister Trudeau's prorogation of federal parliament, as announced in January 2025, as propagation results in all bills that have not received Royal Assent being terminated, unless reintroduced later.

Many industry participants had questioned the relevance of the Bill given that gambling advertising is already highly regulated. For example, in Ontario, among other things, all registered operators are required to comply with the AGCO's advertising and marketing standards and must submit all TV commercials to ThinkTV for clearance. Accordingly, it will be interesting to see whether any appetite remains for rejuvenating the Bill moving forward.

AML remains in focus

As Canada works to enhance its federal AML framework, our experts remain focused on helping iGaming operators develop an AML compliance program that meets best practices and evolving requirements and guidance.

In 2024, BLG's Banking & Financial Services experts offered helpful commentary and guidance on, among other things:

> (i) FINTRAC's special bulletin on laundering the proceeds of crime through online gambling sites: Know when to fold 'em: Special bulletin on money laundering through online gambling sites;
>
> (ii) registration requirements under Canada's Retail Payment Activities Act: Canada's Retail Payment Activities Act: Do you need to register?; and
>
> (iii) proposed amendments to the *Proceeds of Crime (Money Laundering) and Terrorism Financing Act*: New AML/ATF measures including requirements for financing, leasing, and factoring businesses.

Each of these developments requires the attention of iGaming operators and given the enhanced focus on Canada's AML framework in 2025, we encourage all iGaming operators to reach out to our experts in order to understand how these developments impact their compliance programs.

Takeaways

2024 was a busy year in Ontario's iGaming market and 2025 is already on track to see some big changes and important announcements, both in Ontario and Alberta.

As current and prospective operators and suppliers look to capitalize on the prospect of international play in Ontario and the promise of Alberta's new iGaming market, we encourage them to engage with experienced counsel to assist with maneuvering through this rapidly evolving regulatory and commercial space.

Our national Sports & Gaming Law team stands ready to help you navigate all aspects of Canadian gaming law, including, but not limited to, regulatory, corporate, securities, AML compliance, payments, financing, IP, privacy and tax related matters.

For more information, reach out to the key contacts below.

The authors would like to thank BLG articling student Nick Pinsent for his assistance in preparing this article.

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