

Single-event sports betting reaches the end zone

June 22, 2021

BLG hosts expert panel on Ontario's new iGaming market

What you need to know

- On June 22, 2021, the Senate passed private member's Bill C-218, the *Safe and Regulated Sports Betting Act*, on third reading. Bill C-218 was passed without amendments and will come into force on a date set by the federal government.
- Provinces and licensed entities will soon have the ability to conduct and manage a lottery scheme that involves betting on a race - other than a horse-race - or fight, or on a single sport event or athletic contest.
- A recent report from Deloitte estimates that the legalization of single-event sports betting could grow legal-market sports betting in Canada to nearly C\$28 billion over the next five years, nearly seven times the size of the current market.¹
- The passage of Bill C-218 is an important component of Ontario's new competitive iGaming framework, as highlighted by the Hon. Doug Downey, Attorney General of Ontario, at [BLG's Sports and Gaming Law group's recent expert panel on the future of iGaming in Ontario](#).
- For a full analysis on the implications of the legalization of single-event sports betting and provincial proposals to modernize gaming laws, please also refer to our recent articles: "[A winning hand? Combined changes to gambling industry could end Canada's drift](#)", "[Full-court Press To Push Single Event Sports Betting In Canada Over The Line](#)" and "[Single-event sports betting clears another hurdle as Ontario's iGaming market takes shape](#)"

Bill C-218 reaches the end zone

As discussed in our prior updates, Bill C-218 proposes to amend and eliminate the long-standing prohibitions under section 207(4)(b) of the *Criminal Code of Canada* (Criminal Code) against "bookmaking, pool selling or the making or recording of bets ... on any race or fight, or on a single sport event or athletic contest." With this bill having now passed its third reading in the Senate, Canada stands ready to join other established gaming jurisdictions by offering Canadians opportunities to bet on a wider range of sports games, including in-game events.

Although Canada has had legal sports wagering for decades, Canadian lottery corporations have only been able to offer parlay wagering which is a bet on two or more sporting events. This has resulted in tens of billions of dollars being channeled to the grey market via illegal bookmaking operations and offshore online sports books - representing significant incremental revenue which could otherwise be used to fund important public priorities.

The legalization of single-event sports betting will allow provinces to provide competitive sports wagering offerings to unlock grey market capital, will support the 182,000 gaming industry jobs across Canada, and will provide Canadians with a safe and regulated sports wagering market with greater consumer protections and responsible gambling programs.

Ontario has embraced the modernization of Canadian gaming through its commitment to establish a new online market for iGaming that is both competitive and protects consumers. Our recent expert panel featured the key policymakers behind Ontario's new iGaming framework, who offered insights and updates on the province's ongoing consultative process.

BLG's expert panel provides update on new iGaming market

On June 15, 2021, experts from BLG's Sports and Gaming Law group hosted a fireside discussion with the key policymakers behind Ontario's new iGaming marketplace, including:

- Hon. Doug Downey, Attorney General of Ontario
- Birgitte Sand, Commercial Project Lead for iGaming
- Martha Otton, Executive Director at iGaming Ontario Project (AGCO)
- Stan Cho, Parliamentary Assistant to the Minister of Finance and MPP Willowdale²

The full-ranging discussion highlighted:

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| (i) | the province's commitment to unlocking grey market wagers through a competitive and regulated marketplace; |
| (ii) | an emphasis on proactive responsible gambling measures to ward against increased problem gambling trends arising during the pandemic; |
| (iii) | key strategic considerations around effectively establishing a new iGaming market as borne from past regulatory experiences in established gaming jurisdictions; and |

- (iv) the priorities underlying the role of the proposed new subsidiary of the AGCO and the forthcoming draft commercial contract.

The Q&A segment of the panel provided even further insight on key areas of stakeholder concern, including:

- (i) specific questions on the province's approach to balancing its Criminal Code obligations whilst ensuring an attractive and competitive marketplace;
- (ii) how the province will create a level playing field between existing land-based gaming service providers and new domestic and foreign operators;
- (iii) what the enforcement approach will look like for those operators who continue to exist in the unregulated market; and
- (iv) how the province intends to advance opportunities for greater pooled liquidity moving forward.

In providing their views, the panel emphasized that consultations are an iterative process and that stakeholder feedback continues to inform the new framework, including recommendations about the importance of cross promotion and combined customer loyalty programs that include online and land-based gaming, how inter-provincial and international liquidity issues can be addressed and on what timelines, as well as opportunities for collaboration with other provinces to ensure a robust and open system.

Takeaways

To capitalize on the potential of the proposed changes in Ontario and the legalization of single-event sports betting, gaming industry businesses, service providers and entrepreneurs need an effective engagement strategy with provincial regulators.

Our experts in sports and gaming, governmental affairs, and corporate and securities laws can help navigate the complex regulatory and legislative landscape of sports and gaming to identify opportunities and strategies in connection with the legalization of single-event sports wagering. For assistance, reach out to any of the key contacts listed below.

¹ Deloitte Canada, "New stakes in the game: Bill C-13 and unlocking opportunities through sports betting reform in Canada" (February, 2021).

² On June 18, 2021, MPP Stan Cho was sworn in as Associate Minister of Transportation for the Government of Ontario.

By

[Cameron A. MacDonald](#), [Galen Flaherty](#)

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blg.com

BLG Offices

Calgary

Centennial Place, East Tower
520 3rd Avenue S.W.
Calgary, AB, Canada
T2P 0R3

T 403.232.9500
F 403.266.1395

Ottawa

World Exchange Plaza
100 Queen Street
Ottawa, ON, Canada
K1P 1J9

T 613.237.5160
F 613.230.8842

Vancouver

1200 Waterfront Centre
200 Burrard Street
Vancouver, BC, Canada
V7X 1T2

T 604.687.5744
F 604.687.1415

Montréal

1000 De La Gauchetière Street West
Suite 900
Montréal, QC, Canada
H3B 5H4

T 514.954.2555
F 514.879.9015

Toronto

Bay Adelaide Centre, East Tower
22 Adelaide Street West
Toronto, ON, Canada
M5H 4E3

T 416.367.6000
F 416.367.6749

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