



“

Monthly Despatch

Fiscal Intervention and Market
Response - Outcomes from
Sweden's Betting Tax Increase

By Douglas Robinson

”

International Federation of Horseracing
Authorities (IFHA)
Council on Anti-Illegal Betting and
Related Crime

March 2026

Fiscal Intervention and Market Response - Outcomes from Sweden's Betting Tax Increase



AI-generated image

Executive summary

In July 2024, Sweden raised betting taxes from 18% to 22% of gross gaming revenue, generating an additional USD 51 million annually but triggering one important unintended consequence: a mass migration toward unregulated operators. Website traffic data analysis¹ from the top 100 most popular betting websites in Sweden over 37 months (December 2022–December 2025) reveals that annual unique visits to illegal betting sites more than tripled from 2.8 million in 2023 to 9 million in 2025, meaning that over the three-year period, approximately 460,000 Swedes accessed unprotected betting environments monthly, while legal operators experienced an annualised 4.3% decline in customer traffic.

As a result, betting market channelisation continues to fall, leaving Sweden unable to meet its target of 90% legal market channelisation. This decline is set to continue over 2026 and beyond as scheduled regulatory interventions (slot machine restrictions, credit betting bans, and expanded illegal betting definitions through 2027) compound the tax burden on legal operators while increasing the relative appeal of unregulated alternatives. Sweden thus faces a self-reinforcing cycle where regulatory tightening drives illegal operator growth, reduces legal market revenue, and undermines consumer protections – ultimately costing far more than the initial gains made from betting tax increases.

¹ More information on how the Council's website traffic data provider Similarweb collects its website traffic metrics can be found at <https://www.similarweb.com/corp/ourdata/>

Background

On 1 July 2024, the Swedish Government amended its Gambling Act² betting taxes by four percentage points from 18% of gross gaming revenue to 22%. This increase was due, in large part, to a stabilisation in the Swedish betting market since new regulations were introduced in 2018, and with measures now in place to tackle unlicensed betting in the Swedish market.^{3 4}

As a result of this tax increase, the government successfully generated an additional USD 51 million annually, while overall licensed gambling market grew 2.6% to reach USD 2.36 billion in 2024.⁵ Online gambling revenue specifically increased 5% year-over-year, driven by continued digitalisation trends.⁶

On the flipside, the Swedish Gambling Authority (SGA) reported that overall legal betting market channelisation declined one percentage point (from 86% to 85% market share), with legal online casinos experiencing a drop of 11 percentage points (from 83% to 72% market share),⁷ meaning that more than one in four Swedish online casino players were using unlicensed sites that offer no consumer protections, age verification, or problem gambling intervention when needed. Other sources indicated that legal Swedish betting channelisation then stood at a much lower 68%,⁸ with another report projecting that approximately 6,000 Swedish customers would shift to unlicensed sites, with over 1,000 additional problem gamblers emerging due to weaker protections in unregulated markets.⁹

² Government Offices of Sweden, *Gambling Act (SFS 2018:1138), as amended by SFS 2024:255* (English translation), Spelinspektionen, accessed 8 February 2026, https://www.spelinspektionen.se/globalassets/dokument/engelska/gambling-act-sfs-2018_1138-upupdate-sfs-2024_255.pdf

³ Vixio Regulatory Intelligence, 'Gambling Regulatory Deadlines to Watch in July', blog post, 4 June 2024, accessed 8 February 2026, <https://www.vixio.com/blog/gambling-regulatory-deadlines-to-watch-in-july>

⁴ Government Offices of Sweden, *Höjd spelskatt, Prop. 2023/24:74* (proposal to raise gambling tax), 22 February 2024, accessed 8 February 2026, <https://www.regeringen.se/contentassets/81d6448ef73d45d1a084eb1e79d7f38f/hojd-spelskatt-prop.-20232474.pdf>

⁵ SiGMA World, 'New gambling tax takes effect in Sweden from 18% to 22%' <https://sigma.world/news/new-gambling-tax-takes-effect-in-sweden-from-18-to-22/> accessed 23 October 2025.

⁶ Next.io, 'Sweden proposes 4pc gaming tax hike' <https://next.io/news/regulation/sweden-proposes-4pc-gaming-tax-hike/> accessed 23 October 2025.

⁷ European Gaming, 'New channelization assessment from the gambling authority confirms Sweden's problem' <https://europeangaming.eu/portal/latest-news/2025/09/01/190463/> accessed 23 October 2025.

⁸ Player Protection Hub, 'BOS study signals clear channelisation liabilities of Swedish gambling' (10 October 2025) <https://playerprotectionhub.com/2025/10/bos-study-signals-clear-channelisation-liabilities-of-swedish-gambling/> accessed 27 October 2025.

⁹ Vixio, 'Swedish tax hike will reduce channeling, create problem gamblers, warns report' <https://www.vixio.com/insights/gc-swedish-tax-hike-will-reduce-channeling-create-problem-gamblers-warns-report> accessed 23 October 2025.

Methodology

The Council utilises a mixed-methods approach to ascertaining the most popular betting websites¹⁰ in Sweden; initially using Similarweb's preset market analysis feature¹¹ to identify the top 100 most popular online gambling websites in Sweden, filtering out websites where bets cannot be placed and winnings encashed,¹² and supplementing the ensuing gaps in the top 100 list with globally-popular online operators provided by H2GC.

Once the list of top 100 most popular gambling & betting websites was generated, they were analysed against the SGA's whitelist¹³ to assess whether they are regulated. Websites not specifically whitelisted by the SGA were assessed to be illegal. In keeping with the SGA's recent legal market channelisation methodology,¹⁴ identified gaming skins trading and marketplace websites which did not offer other online betting services to their customers were excluded from this analysis.

Artificial intelligence (AI)¹⁵ was used, on occasion, to assess whether a website could facilitate real-money gambling on its platform or not. Such AI-generated assessments, where utilised, were then verified by Council researchers.

Of the top 100 most popular gambling websites in Sweden, 56 were assessed as being legal websites, while 44 were assessed as illegal.

It should be noted that Swedish betting customers are likely to employ VPNs to circumvent geoblock to access illegal betting websites. As a result, the reported illegal traffic figures represent conservative estimates and therefore, the documented illegal market shifts and, to a lesser extent, legal market changes, are likely lower-bound assessments of actual market redistribution post-tax increase.

It should also be noted that this traffic analysis captures *website visits* rather than *individual customers*, meaning users who patronise both legal and illegal operators are counted in both channels' visitor figures. This dual-use behaviour is not a methodological flaw but rather an accurate reflection of market reality: customers are not binary choosers between regulated and unregulated channels, but rather diversified users who may place certain bets with legal operators and others with illegal platforms depending on product availability, odds, or other competitive factors. Consequently, the reported channelisation figures do not represent mutually exclusive customer segments but rather the proportional distribution of betting activity across regulated versus unregulated channels.

¹⁰ Measured by the mean monthly number of total (i.e. non-unique) visits to the websites from Swedish IP addresses over the period December 2024 to November 2025

¹¹ <https://www.similarweb.com/corp/web/market-research/> preset to the 'Gambling' industry.

¹² For example, gambling affiliate or services websites

¹³ Spelinspektionen, *Licensregister*, accessed 8 February 2026, <https://www.spelinspektionen.se/licens-o-tillstand/licensregister/>

¹⁴ Spelinspektionen, *Den offentliga kontrollen över spelmarknaden: Slutredovisning av uppdrag FI2023/03130* (Strängnäs, Spelinspektionen, 24 September 2024), available at: https://www.spelinspektionen.se/globalassets/dokument/rapport-o-remiss/slutredovisning-av-uppdrag-fi2023_03130---den-offentliga-kontrollen-over-spelmarknaden--kanaliseringsgrad.pdf

¹⁵ Perplexity AI, *Perplexity* (AI-powered answer engine), accessed 8 February 2026, <https://www.perplexity.ai>

The analysis focused on unique visitors¹⁶ per month (UVPM) as the primary traffic metric rather than total visits; a methodological choice that provides more accurate insight into market penetration and customer behaviour. UVPM counts each individual visitor to a website only once a month, regardless of how many times they return to that site within that month. This differs from total visits, which counts every visit separately, meaning a single user visiting a site five times in one month would generate five visits but only one unique visitor.

UVPM is widely recognised as a standard engagement metric across digital analytics, market research, and competitive intelligence fields, and is particularly valuable for measuring audience reach, market share, and channelisation dynamics.¹⁷ UVPM better reflects the number of individuals engaging with legal, versus illegal, operators, rather than aggregate session volume, which can be distorted by high-frequency users.

Finally, and perhaps most importantly, readers should be reminded that website visits do not uniformly translate into actual betting transactions or wagered value – a unique visitor placing a SEK 50 wager is counted identically to one depositing SEK 10,000, or not placing a bet at all. Traffic metrics therefore measure audience reach and customer acquisition rather than actual bet placement. This analysis should accordingly be read as documenting website traffic patterns, which are useful proxies, but not exact equivalents for online betting market behavioural measurement.

Findings

The average monthly number of unique visitors to legal betting operators in Sweden over the three-year period¹⁸ comprised 85.1% of the total, just 0.9 percentage points less than a like-for-like analysis conducted by the SGA in 2023¹⁹ and confirming the robustness of this methodology.

However, if this three-year period is segmented into pre-and post- tax increase assessment periods, the picture changes to show a marked change in channelisation post-tax increase as Table 1 shows:

Total unique visits pre- and post- tax increase (1 July 2024)			
	Legal	Illegal	Total
Pre Tax increase (Dec 22-Jun 24)	59,078,105	5,008,001	64,086,106
Post Tax increase (Aug 24-Dec 25)	55,962,085	12,079,735	68,041,820
Actual change	-3,116,020	7,071,733	3,957,714
% Change	-5.3%	141.2%	6.2%

¹⁶ Similarweb, 'Unique visitors: definition and use in market research', *Similarweb Blog*, accessed 8 February 2026, <https://www.similarweb.com/blog/research/market-research/unique-visitors/>

¹⁷ Adobe, 'Unique visitors', *Adobe Analytics – Experience League Documentation*, accessed 8 February 2026, <https://experienceleague.adobe.com/en/docs/analytics/components/metrics/unique-visitors>

¹⁸ December 2022 to December 2025

¹⁹ iGB (iGaming Business), 'Sweden channelisation rate at 86% according to Spelinspektionen', 2 October 2024, accessed 8 February 2026, <https://igamingbusiness.com/gaming/online-casino/sweden-channelisation-rate-86/>

Table 1: total visits to top 100 legal and illegal Swedish gambling websites pre- and post- tax increase

Table 1 illustrates that unique Swedish visits to online betting operators grew by 6.2%, or in absolute terms, by 3.957 million visits over the two periods in question. This growth was nevertheless not balanced between the legal and illegal segments, with the illegal segment absorbing all this wider market growth, as well as converting 5.3% of betting website visits from legal, to illegal, betting channels.

This stark change pre- and post- tax increase is reinforced when looking at website traffic data on an annualised basis over 2023, 2024 and 2025, as shown in Table 2:

Year	Total unique visitors by year			% change		
	Legal	Illegal	Total	Legal	Illegal	Total
2023	38,983,885	2,877,307	41,861,192	N/A	N/A	N/A
2024	36,710,222	4,960,091	41,670,313	-5.8%	72.4%	-0.5%
2025	35,697,001	9,009,815	44,706,816	-2.8%	81.6%	7.3%
Total % change				-8.4%	213.1%	6.8%

Table 2: mean monthly unique visitors to top 100 legal and illegal Swedish gambling websites by year;

What Table 2 continues to demonstrate is that the illegal market has captured all of Sweden’s betting website visit growth over the 2023-2025 period, as well as just under 10% of legal market visits. This has resulted in a quadrupling of illegal market capture in just two years, with around 460,000 Swedes accessing illegal betting websites at least once a month.

The impact on illegal betting market channelisation since the July 2024 gross gambling revenue tax increase can be shown in Charts 3 and 4. Following the tax increase, while legal website visits trend gradually downwards from a peak of 3.9 million visits in December 2024, illegal website visits steadily climb from around 500,000 monthly visits in July 2024 to just under 1 million visits in December 2025.

Chart 4, which shows the percentage change in legal and illegal website visits from July 2024, more clearly illustrates this shift in customer behaviour, with legal website visits ending with a 13% decrease in visits by December 2025. In contrast, illegal website visits increased by close to 70% within a year of the tax coming into effect before plummeting in April 2025 – likely due to regulatory changes that took place that month in Sweden including the announcement of the closure of the last land-based casino in Sweden (the Casino Cosmopol in Stockholm), new AML-related crackdowns on legal betting operators including Betsson and Snabbare, and perhaps most importantly, the SGA’s call for a legal shift to require all online gambling accessed from Sweden to be licensed locally²⁰ – before increasingly rapidly over the remainder of 2025.

²⁰ 'Sweden moves to close legal loopholes in online gambling regulation', *Gambling Insider*, 8 April 2025, <https://www.gamblinginsider.com/news/29039/sweden-moves-to-close-legal-loopholes-in-online-gambling-regulation>, accessed 5 February 2026.

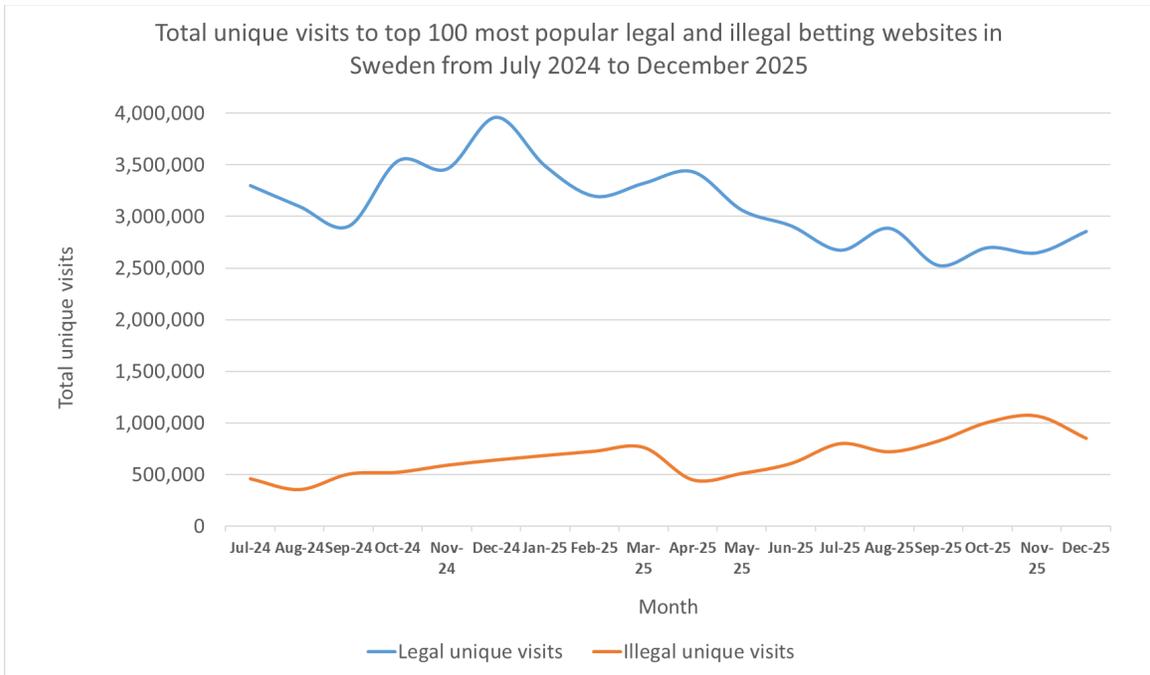


Chart 3: Total unique visits to top 100 most popular legal and illegal betting websites in Sweden from July 2024 to December 2025

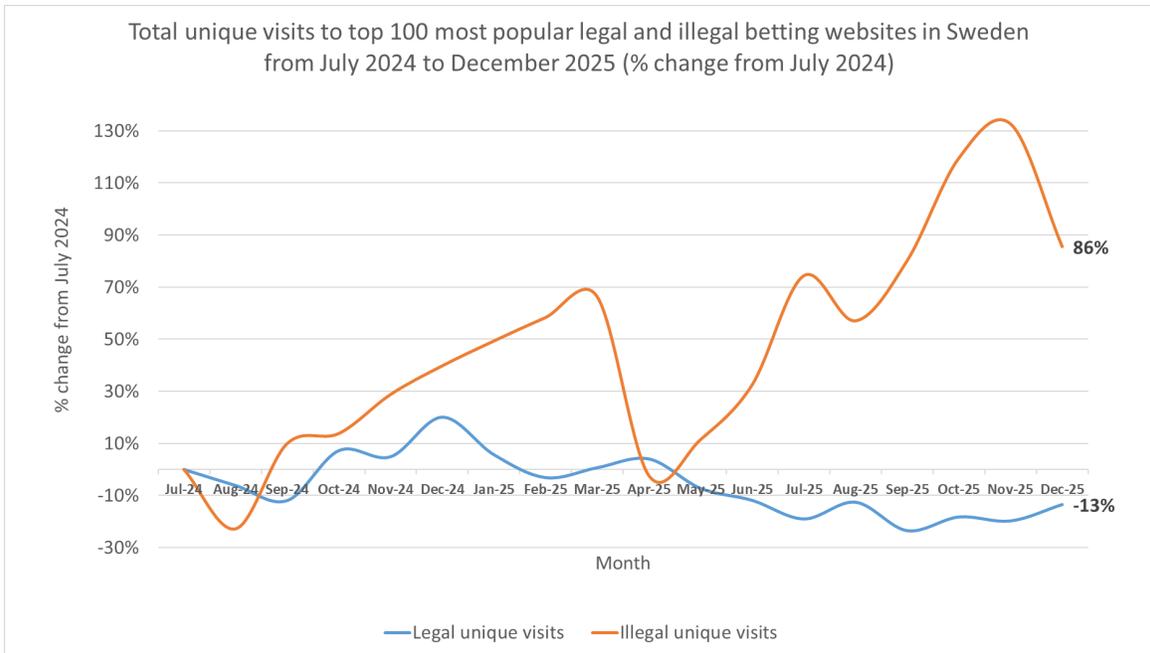


Chart 4: Total unique visits to top 100 most popular legal and illegal betting websites in Sweden from July 2024 to December 2025 (% change from July 2024)

The April 2025 dip in illegal website traffic is noteworthy for betting regulators, policy makers and industry practitioners alike, showcasing that putting illegal betting on the public’s agenda can meaningfully deter customers from betting with illegal operators. On the flipside, the subsequent rebound in illegal betting website visits post April 2025 also clearly shows that continued public illegal betting awareness is required to deter and disrupt illegal bookmakers.

Illegal betting operator analysis of cryptocurrency acceptance

The 44 illegal online betting operators were further assessed to ascertain whether they accepted cryptocurrencies as a method of betting account deposit and withdrawal, a core driver of global illegal betting demand as explained in an October 2025 Council report.²¹

Of the 44 illegal betting websites, crypto deposit and withdrawals could be made on 34 of them (77%), a larger portion than the Council’s prior examination of globally-popular illegal betting websites, which saw 43% of such websites offering cryptocurrency deposits and withdrawals. At the same time, as Table 5 shows below, mean monthly unique visitors to crypto-enabled illegal betting websites over 2023, 2024 and 2025 shows compounded annual growth rates of 82%, higher than those of non-crypto-enabled websites, and demonstrating that cryptocurrency acceptance continues to be a key enabler of online illegal betting operations.

Mean monthly unique visits to illegal betting websites		
	Crypto enabled	Non-crypto enabled
2023	186,588	76,024
2024	380,416	53,782
2025	618,110	219,514
CAGR	82%	70%

Table 5: Mean monthly unique visits to crypto and non-crypto enabled illegal betting websites, 2023, 2024 and 2025

Conclusions

The significant redirection of website traffic activity across the Swedish betting market since the July 2024 gambling tax increase goes beyond what is usually considered ‘normal market evolution’. Therefore, it is highly likely that this redirection occurred in reaction to the tax increase.

This assessment is supported by the Dutch betting market’s experience, where the tax rate on gross gaming revenue was increased from 30.5% to 34.2% (a 3.7% increase) on 1st January 2025.²² In this case, the impact of the tax increase was immediate and clear:

²¹ Douglas Robinson & Doris Mao *Unregulated and Unstoppable: Cryptocurrencies and the Future of Online Illegal Betting* (Paris: International Federation of Horseracing Authorities, 2025) https://www.ifhaonline.org/AibResources/Papers/Unregulated_and_unstoppable_cryptocurrencies_report_FINAL_.pdf [accessed 5 February 2026]

²² Gaming in Holland, ‘Dutch gambling tax rate to be increased to 34.2% from 2025, 37.8% from 2026’, *Gaming in Holland*, 24 September 2024, accessed 8 February 2026, <https://www.gaminginholland.com/post/dutch-gambling-tax-rate-to-be-increased-to-34-2-from-2025-37-8-from-2026>

gambling tax receipts fell by USD 33 million over the first half of 2025,²³ online gross gaming revenue fell 8%²⁴ and the gambling regulator estimated that as a result of the tax increase, legal market channelisation had plummeted from 80% to 50%.²⁵

This analysis also adds credence that beyond an optimal point, higher gambling taxes reduce, rather than enhance, both regulatory effectiveness and sustainable betting taxation revenues. “Appropriate” gambling tax levels are those that keep regulated betting offerings sufficiently attractive to maintain high rates of channelisation while still delivering robust, predictable fiscal returns. Tax rates set materially above this equilibrium – especially when combined with other restrictive measures – risk accelerating migration to illegal operators and weakening investment in integrity and consumer protection measures.

In closing, recent Swedish policy successes in increasing the channelisation rate are now again threatened, with an estimated 5% of legal customers channelling back to unregulated providers annually. And with further regulatory tinkering having recently, or soon to take place, including new slot machines regulations implemented from 1 December 2025,²⁶ the aforementioned ban on legalised credit betting in April 2026, legislative changes to the national self-exclusion register from August 2026, as well as the potential widening of what constitutes illegal betting in Sweden scheduled for a 1 January 2027 implementation, Swedish customers and operators are likely to face an increasingly-fragmented and restricted regulated offering marketplace. This, coupled with mounting incentives for players to migrate to offshore unlicensed providers, both undermines consumer protection and the long-term sustainability of the Swedish government’s channelisation objectives.

²³ World Casino Directory, 'Netherlands gambling tax increase fails to meet revenue goals, sparks unintended consequences' <https://news.worldcasinodirectory.com/netherlands-gambling-tax-increase-fails-to-meet-revenue-goals-sparks-unintended-consequences-119293> accessed 23 October 2025

²⁴ Next.io, 'KSA admits Dutch gambling tax hike has failed' <https://next.io/news/regulation/ksa-admits-dutch-gambling-tax-hike-has-failed/> accessed 23 October 2025.

²⁵ World Casino Directory, 'Arjan Blok highlights urgent need for action against illegal gambling at Gaming in Holland 2025' (27 October 2025) <https://news.worldcasinodirectory.com/arjan-blok-highlights-urgent-need-for-action-against-illegal-gambling-at-gaming-in-holland-2025-118610> accessed 27 October 2025

²⁶ iGaming Today, 'Sweden slot machine hospitality rules 2025', *iGaming Today*, 2025, accessed 8 February 2026, <https://www.igamingtoday.com/sweden-slot-machine-hospitality-rules-2025/>