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2026

# Finland iGaming Industry Primer — Past, Present, and Future: (2026–2027 Licensing Transition)

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# Finland iGaming Industry Primer — Past, Present, and Future (2026–2027 Licensing Transition)

## Executive Summary

**Overview:** In January 2026, Finland enacted a historic reform of its gambling law that will end the decades-old online monopoly of the state-owned Veikkaus Oy and transition to a partially license-based system by mid-2027. This primer examines Finland's iGaming industry – past, present, and future – through the lens of this reform. We detail what is changing (and what isn't) as Finland opens its online gambling market to private operators, the new regulatory architecture and obligations, and the expected impacts on players and the industry. **Key takeaway:** Finland is adopting a "dual model" similar to Sweden and Denmark – lottery and land-based machine games remain a state monopoly, while online betting, casino, and bingo games will be offered by multiple licensed companies under strict supervision. The change is driven by concerns over rising offshore gambling and stagnant problem gambling rates, with the goal of channeling Finnish play to domestically regulated services.

**Timeline:** The new Gambling Act was approved by Parliament on 16 Dec 2025 and signed into law on 16 Jan 2026. Licensing will roll out in phases. *From 1 March 2026*, eligible companies can apply for Finnish gambling licenses (B2C). However, **Veikkaus retains its exclusive rights until 30 June 2027**, during which no new operators may launch or advertise gambling products. The licensed market "go-live" is **1 July 2027**, when approved operators can begin offering services to Finnish customers. At the same time, regulatory authority shifts from the Police Board to a newly established independent **Finnish Gambling Supervisory Authority** (tentative name) on 1 July 2027. A year later, on **1 July 2028**, a further requirement kicks in: all online gambling software used in Finland must be sourced from licensed suppliers (B2B licensees) – a measure to ensure regulatory oversight of platforms and game systems.

**Market Structure:** Under the new regime, **Veikkaus's online monopoly will be abolished** for key product verticals. Private operators (domestic or foreign-owned companies meeting Finnish licensing criteria) will be able to offer: **sports and horse race betting**, **online casino table games**, **online slots**, **online bingo**, and related digital games of chance. Meanwhile, Veikkaus will **retain monopoly** in "lottery-type games" (e.g. Lotto, Eurojackpot, keno), **scratch cards**, and all **physical slot machines and casino operations**. In practice, this means Finns will, from 2027, have legal alternatives to Veikkaus for online sports betting and casino gaming, but **lottery draws and instant win games (and the iconic grocery-store slot machines)** will still only be provided by Veikkaus. This mixed system is explicitly modeled on the successful Nordic precedents where state lotteries coexist with licensed online markets. Notably, Veikkaus is allowed to compete in the open segments through a **subsidiary** – the law permits a company in the Veikkaus Group to obtain general gambling licenses, provided its competitive activities (player accounts, websites, finances) are kept separate from its monopoly operations. All licensed operators, including any Veikkaus affiliate, will operate on a level playing field in terms of taxes, game restrictions, and compliance rules.

**Regulatory Objectives:** Finland's government has framed the reform around two main goals – **harm prevention** and **channelization** (i.e. steering players to the safe, regulated market). These twin aims are sometimes in tension, and the Act reflects a compromise. On one hand, authorities are introducing robust responsible gambling mandates (described below) to curb addiction and social harm. On the other, they are loosening the absolute monopoly in hopes that attractive legal alternatives will recapture the estimated 250,000 Finns who gamble on offshore sites (about 7% of adult population). By ending the monopoly's online product limitations, regulators believe a greater share of Finnish gambling will occur under domestic oversight – improving **channelization rate**, which currently has stagnated (offshore play was 7% in 2019 and remained ~7% in 2023 despite minor measures). A higher channelization rate means more gambling activity would fall under Finland's consumer protections, problem gambling interventions, and tax net. The Government has explicitly tied the reform to harm reduction goals, but also acknowledges the risk that expanding the legal market (and permitting more advertising) could in itself create new gambling participation and potential harms. To balance this, the law builds in stronger controls on **how games are offered and marketed**, rather than simply hoping market forces solve everything.

**New Licensing Framework:** The Finnish licensing model comprises **two main license categories**:

- **Gambling License (B2C)** – required for any operator offering betting, online casino games, online slot machines, or online bingo to Finnish customers. Applicants can be domestic or international companies, but must meet Finland's "fit and proper" standards (honesty, financial stability, no history of legal violations in gambling, etc.). License applications open on March 1, 2026, and will be reviewed by the National Police Board initially. The law does not cap the number of B2C licenses – any firm meeting requirements may receive one. Each license is issued for a fixed term (maximum **5 years**).
- **Gambling Software License (B2B)** – a novel license for suppliers providing gambling platforms or software (e.g. betting engines, RNGs, game content, data feeds) to Finland-facing operators. This targets casino game studios, sportsbook providers, and other iGaming technology vendors. Applications for B2B licenses begin July 1, 2027. From July 2028 onward, B2C operators may **only** use software from licensed B2B providers. The intent is to extend regulatory oversight and accountability throughout the supply chain. B2B licenses are also up to 5-year terms.

In addition, an **Exclusive License** will be granted to Veikkaus for the monopoly products (lotteries, scratch cards, etc.), each for a term of **10 years**. Veikkaus must pay the state an exclusive-rights fee for this license (to prevent undue competitive advantage from its monopoly profits).

All licensees will be subject to annual supervision fees and oversight by the regulator to fund and enforce the system. The National Police Board will serve as the interim licensing authority through June 2027, after which a dedicated **Finnish Gambling Supervisory Authority** takes over licensing, audits, and enforcement duties. The new agency is expected to scale up staffing and technical capability significantly compared to the current oversight department, given the broader scope of supervising multiple operators.

**Player Protections and Responsible Gambling:** The reform introduces some of the strictest responsible gambling (RG) requirements in Europe, building on measures already in place in Finland's monopoly. **Mandatory identification** for *all forms of gambling* is a cornerstone: all players must register and verify their identity (through strong electronic ID such as bank credentials) before play. This extends an existing practice – Veikkaus already requires ID for online play and as of 2021 for physical slot machines – and ensures that even at land-based venues or when purchasing lottery tickets, identity can be verified and play tracked. The universal ID requirement enables several protective tools:

- A **centralized self-exclusion system** covering all licensed operators. By 2027, Finnish consumers can enroll in a single self-exclusion register (likely an expanded version of Veikkaus's current Peluurii system) that will prevent them from accessing *any* licensed gambling site. Licensees must integrate with this system; honoring self-exclusions is mandatory.

- **Self-exclusion by category:** Beyond full exclusion, players can opt to block themselves from specific game types (e.g. only slots, or only betting) across all operators. This granular control acknowledges that some individuals may seek to restrict their highest-risk behavior while continuing others.
- **Personal deposit limits:** Each player, upon creating an account with a licensed operator, must set daily and monthly **money transfer limits** (i.e. deposit limits) for that operator. These caps limit how much one can load into the gambling account per day or per month. While there is no single universal loss limit across all platforms (a proposal for shared limits was debated but not adopted), the requirement of per-operator limits ensures every site has a constraint on spending. Finnish regulators opted not to impose a government-set mandatory loss limit for all players; instead, players choose their own limits (with default suggestions) as part of account setup. This mirrors practices in Sweden and reflects a compromise to maintain competitiveness (universal strict loss limits could push high-spenders to unlicensed sites).
- **Automated monitoring and intervention:** License holders must monitor player behavior for signs of problematic play (e.g. rapid losses, play at unusual hours, signs of chasing). If certain risk thresholds are crossed, operators are obligated to intervene – ranging from providing pop-up warnings, to mandatory cooling-off periods, or direct outreach with responsible gambling messaging. The Act mandates that operators have a documented **self-supervision plan** detailing how they detect and handle suspected problem gambling.
- **Game design controls:** Although specifics are delegated to secondary regulations, the government has signaled that online games will face new technical restrictions to curb excess play. These may include maximum bet limits, slower game speeds (minimum spin durations for slots), a ban on autoplay, and periodic forced breaks after continuous play. Such rules are expected to be set via decree in 2026–27 and will apply equally to Veikkaus's online games and those of new licensees, ensuring a consistent level of safety features (with a possible exemption for peer-to-peer games like poker). For perspective, Veikkaus already voluntarily implemented a €500/day loss limit for online casino and 15-minute hourly loss checks on slots; now these kinds of limits could become regulatory standards for all operators.

Crucially, **the age limit remains 18** for all gambling. Some legislators pushed to raise it to 20 for certain games, but this was not included. The new system will maintain Finland's existing norm that minors (under 18) cannot buy lottery tickets or gamble in any form, and this extends to stricter ID checks to enforce it. All marketing and venues must clearly indicate the 18+ limit, and it's an offense to allow underage gambling (as was already the case).

**Marketing and Advertising Rules:** With private operators entering, Finland is cautiously liberalizing gambling advertising but with **heavy restrictions** to prevent the excesses seen elsewhere. Under the new Act, marketing of licensed gambling is legal *only within defined bounds*:

- **Permitted channels:** Traditional media like television, radio, and newspapers are allowed outlets for gambling ads. Online, a licensee may market on its **own website or official social media pages**, but such content must not be "interactive" – meaning comments or direct engagement with users should be disabled. This ensures operators can disseminate information but not engage in personalized or real-time promotion on social platforms.
- **Prohibited channels and methods:** Third-party or surrogate advertising is largely banned. **Influencer marketing** is explicitly forbidden – operators cannot pay or incentivize individuals (e.g. streamers, celebrities) to promote their gambling services on personal channels. **Affiliate marketing** – where media or individuals earn commission for referring players – is effectively disallowed under the new

rules. This is a significant departure from many markets; Finland is shutting down what was a common digital marketing avenue, reflecting a desire to avoid aggressive tactics and opaque partnerships. Additionally, **telemarketing (phone calls or SMS to consumers)** is banned for gambling, as is any form of unsolicited direct marketing (e.g. spam emails) outside a customer's opt-in.

- **Content restrictions:** All advertisements must include a clear **18+ age warning** and information about problem gambling help (e.g. via the national helpline or website). With the new law, ads (except brief radio spots) must also display the operator's license details and the regulator's identity to distinguish licensed offerings. Advertising must be "moderate and responsible" – this general clause means ads cannot glamorize gambling, make false claims about odds, or target emotions of vulnerable individuals.
- **No targeting minors or vulnerable groups:** Marketing may **not be directed at minors** in any way. This includes obvious rules like no ads on children's TV or in schools, but also subtler points: no using cartoon imagery or youth-oriented themes that could appeal to those under 18. Advertisements or sponsorships can't appear in media or events primarily aimed at minors. For example, a gambling company cannot sponsor a junior sports league or advertise at a family festival.
- **Sponsorship rules:** Sponsorships by gambling firms are allowed (e.g. an operator sponsoring a sports team or event), but with conditions. Companies cannot sponsor individuals who are minors, and any sponsorship of events must not directly promote gambling to the event's audience. Essentially, brand logos might appear, but you wouldn't see inducements to gamble as part of the sponsorship activation. The law intends to prevent a repeat of scenarios in other countries where gambling logos saturated sports events without restraint. In Finland, expect a more subdued approach: gambling sponsors will be present but under scrutiny to avoid targeting youth or encouraging harmful play.
- **Bonus and incentive bans:** Perhaps the most striking marketing restriction is a near-total ban on the typical promotional incentives of the industry. The new Act **prohibits welcome bonuses, free bets, free spins, cashback, refer-a-friend, and other bonus offers** commonly used to attract or retain players. The only exception is a form of *"bonus play money"* that may be given to existing customers for retention purposes (for example, a small amount of credits on a anniversary or as a goodwill gesture), but this is tightly regulated – it must be of modest value, not tied to deposits or losses, have a low wagering requirement (≤5x) and cannot be directly withdrawable as cash. **Welcome bonuses are outright banned**, meaning new players cannot be enticed with any financial incentive. Likewise, loyalty programs or VIP schemes that reward high spenders (through points, gifts, or better odds) will be prohibited, since they incentivize greater gambling intensity. These measures, which go further than even Sweden's strict bonus rules, are aimed at eliminating marketing practices that encourage excessive or impulsive play. While they may make Finland a less immediately attractive market for operators (who often rely on bonuses to compete for customers), policymakers judge that a healthier channelized market is possible without these inducements – emphasizing trust, product quality, and brand reputation instead.

In summary, Finland's marketing regime post-reform will be one of the most constrained in Europe: advertising is allowed but only in limited channels and formats, with extensive required disclaimers, and many common promotion tactics (affiliates, influencers, bonuses) are off-limits. Operators will need to focus on straightforward advertising and organic brand building. The regulator will have authority to police marketing compliance and issue fines or ultimately suspend licenses for violations. All marketing infractions (and any unlicensed advertising) can also trigger injunctions with penalty fines, which the regulator is obliged to publicize – effectively naming and shaming offenders.

**Anti-Money Laundering (AML) and Know-Your-Customer:** Finland is applying rigorous AML standards to the new licensees in line with EU directives and its national AML Act. All gambling license applicants must demonstrate a comprehensive AML and counter-terrorist financing program as part of their licensing process. This includes:

- A formal **AML policy and risk assessment**, tailored to the gambling business, identifying potential risks (e.g. use of gambling to launder funds) and mitigation measures.
- Detailed **customer due diligence (CDD)** procedures: verification of identity (which dovetails with the mandatory strong ID for players), age verification, and for higher-risk customers, additional checks (source of funds for large deposits, politically exposed person screening, etc.).
- **Ongoing monitoring** of transactions: operators must have systems to detect suspicious betting or cashflow patterns and report suspicious activity promptly to Finland's Financial Intelligence Unit (the National Bureau of Investigation's FIU). For example, large deposits followed by minimal play and quick withdrawal would need flagging.
- An **internal AML compliance officer** and staff training: licensed firms will likely need to appoint an AML responsible manager and ensure all customer-facing or payments staff are trained to follow CDD and record-keeping procedures.
- **Record-keeping and reporting:** The Act makes gambling operators subject to the same AML reporting obligations as financial institutions, meaning they must file suspicious transaction reports and maintain records for a set period (5 years or more as required by law).

By requiring AML compliance at licensing, Finland ensures only serious, well-governed operators enter the market. Post-licensing, the Gambling Supervisory Authority will coordinate with the AML supervision (likely the Regional State Administrative Agency or FIN-FSA which oversee AML in Finland) to audit and enforce these requirements. Notably, strict KYC also helps ensure that self-exclusion and limit enforcement are effective (you can't skirt the system with multiple anonymous accounts if everyone is verified).

**Taxation and Economic Impact:** The reform changes how gambling revenue is taxed in Finland:

- The existing "lottery tax" on gambling revenue (Veikkaus currently pays a 12% tax on GGR) will increase to **22%** on GGR for all licensed gambling services. This essentially functions as a gross gaming revenue tax similar to other jurisdictions. Veikkaus's monopoly products will also presumably be subject to the new 22% tax (the Act removes the special low rate, equalizing the field). The government expects that even with a moderate channelization, the higher tax rate could raise equivalent or greater tax income than the current system.
- In addition to gambling tax, licensed operators based in Finland will pay the standard **corporate income tax (20%)** on profits. Foreign companies would be operating via Finnish subsidiaries or permanent establishments and thus also subject to Finnish corporate tax on local gambling profits.
- For players, an important change: **Winnings from unlicensed gambling will become taxable income** (if the game is provided from within the EU/EEA to Finland). Currently, Finnish law (like many EU countries) allowed tax-free winnings from EEA gambling providers. After the reform, if a Finnish player wins money on a site that is not licensed in Finland, that win will be subject to Finnish tax (likely as capital income at 30% rate). This creates a disincentive for players to remain on offshore sites – any "grey market" wins could lose a chunk to taxes, whereas winnings on licensed sites (or on Veikkaus or PAF, which are licensed or specifically exempt) remain tax-free. This move is a **soft enforcement** tool to aid channelization without directly blocking sites.
- Winnings from licensed operators in Finland (and possibly those from other EEA lotteries *not targeting Finland*) remain tax-exempt to players. As per usual, Veikkaus's lottery payouts to winners are untaxed, and that principle will extend to any licensed operator's payouts (the operator has already paid the gambling tax).
- **Revenue distribution:** Under the old monopoly, Veikkaus's profits (after tax) were earmarked to fund sports, arts, science, and social causes. The new system changes this funding model – going forward, tax revenue from gambling will go into the state budget, and subsidies to beneficiary sectors will be decided

through normal appropriations. The government has planned offset funding to these sectors to replace the direct Veikkaus subsidies (approximately €700 million annually combined from Veikkaus profits and lottery tax). Essentially, Finland is shifting from a earmarked model to a tax-and-budget model. This reduces potential conflict of interest in maximizing gambling profits for good causes, but it means those causes rely on budget decisions rather than a guaranteed gambling stream.

- **Åland's Paf**: Special note is given to Paf (the regional government-owned gambling operator in Åland, which currently can legally serve Åland residents and Finnish players on cruise ships, and has also attracted some mainland online players). Paf will be allowed to apply for a mainland license like any other company. If it does, the law stipulates that any gambling tax and corporate tax paid by Paf from mainland operations would be remitted back to Åland's government. This respects Åland's autonomy and tax equalization agreements. Paf's participation is an intriguing element – it already has brand recognition and a responsible gaming ethos, so it could be a strong competitor in the licensed market. In 2023, 3% of Finns played on Paf's online games, a share that grew from 2% in 2019, even as other offshore play held flat. Paf joining the licensed system could convert those players into "legal" status and perhaps grow its share further under regulation.

**Enforcement Against Unlicensed Gambling:** A critical question is how Finland will handle the remaining offshore black market after licensing. The new law continues to **prohibit any gambling targeting Finland without a Finnish license**, as well as any advertising thereof (this was already illegal under the old Lottery Act). The National Police Board (and from 2027 the new Authority) retains the power to issue **injunctions** against unlicensed operators and marketers – for instance, ordering them to cease offering games to Finns, or cease advertising in Finland. If such an injunction is ignored, the authority can impose a **conditional fine** (i.e. a monetary penalty that accrues if non-compliance continues). However, these fines are only effective if the entity has assets or representatives in Finland. Many offshore operators don't, making such injunctions more symbolic.

Significantly, **Finland has *not* built in internet blocking or new payment blocking provisions at the outset**. Earlier drafts considered network-level blocks (IP or DNS blocking of unlicensed gambling sites), but the Government chose to hold off on these controversial measures. The official stance is to monitor the market and, if channelization goals are not met, revisit blocking in the future. As for payments, a 2022 amendment (effective 2023) already authorizes the Police Board to maintain a blacklist of unlicensed gambling companies for banks to block transactions to. This will remain in effect, but its impact so far has been limited (offshore sites use alternative payment methods or intermediaries to circumvent straightforward bank card blocks). No additional payment blocking enhancements are in the new Act.

Thus, in 2027, Finland will rely on a combination of:

- **Administrative penalties:** going after any known Finnish-facing business entities that operate without a license. Notably, if a company that operated illegally in Finland in the past now seeks a license, their past misconduct could be grounds to deny the license. This creates an incentive for major grey-market operators to cease unlicensed activities now and demonstrate compliance if they intend to apply.
- **Taxation of winnings:** as described, making players self-report and pay taxes on overseas gambling wins, reducing the appeal of those sites.
- **Player education:** clearly differentiating licensed sites (which will carry a Finnish license badge and offer Finnish-language customer support, etc.) from unlicensed ones, and emphasizing the consumer protections only licensed sites guarantee (legal recourse, self-exclusion, etc.).

- **Continuation of payment blocks:** banks will continue blocking transactions to known unlicensed operators as per the enforcement list maintained by authorities. This may intercept some casual players attempting credit card deposits on foreign sites, though workarounds exist.
- **Transparency and stigma:** the new regulator must publish its enforcement actions (e.g. naming sites that have been issued injunctions or payment block orders). This public naming could deter local media from inadvertently advertising those brands and inform consumers that those sites are operating outside the law.

If these measures prove insufficient, the Act empowers the Government to consider further steps. The Finnish authorities will compile data on how much gambling is still flowing to unlicensed sites after 2027, and Parliament explicitly instructed the Government to ensure adequate resources for supervision and harm prevention, and to be ready to deploy payment or network blocks if necessary. The hope is that with attractive legal options and strong responsible gambling features, the majority of Finnish players will choose licensed sites, making draconian blocks unnecessary. Still, this is a watch-point: the absence of upfront IP blocking is a bet that channelization can be achieved through carrots (legal offerings, tax-free winnings, consumer trust) rather than sticks.

**Finnish Gambler Profile & Market Trends (Past & Present):** To appreciate the potential impact of the licensing transition, it's important to understand Finnish gambling habits and the status quo ante:

- Finland has traditionally had one of the highest rates of gambling participation in Europe. In 2019, about 78% of adults gambled at least once a year; by 2023 this had declined to **70%** – a notable drop, likely due to COVID disruptions and Veikkaus's responsible play reforms (like reducing slot machine availability). Still, 70% equates to 2.5 million people, reflecting a culturally entrenched gambling presence (from weekly lotto draws to ubiquitous slot machines).
- **Game Preferences:** Finnish players historically gravitate to lottery and scratch games. In 2023, **52%** of adults played lottery draw games (Lotto or Jokeri) and **40%** bought scratch tickets – these remain the dominant forms of gambling by reach. About **18%** played slot machines in arcades, shops, or other non-casino venues, a number that has fallen sharply (it was 30%+ a decade prior) due to moves like mandatory ID and removal of machines from some locations. Sports betting and horse betting, while popular among certain demographics (particularly men), do not match lottery in reach – in 2019 around 10–15% bet on sports; updated 2023 data by THL suggests these also declined slightly. Only **7%** of Finns gambled on offshore online sites in 2023, but this figure belies certain segments: among men 18–29, it was 15% who used offshore sites. These younger adults are the key target for channelization – they seek products (like online slots, live casinos, diverse betting markets) that Veikkaus's limited offering did not satisfy, and thus went abroad.
- **Online vs Land-based:** Online gambling has grown tremendously within the monopoly framework. By 2023, **44%** of Finns participated in some form of online gambling (this includes Veikkaus online and offshore). This is up from 36% in 2019 and under 30% in 2015, showing the rapid digital migration. Veikkaus's online revenue (mostly from lottery and slot games on its site) has been increasing even as its retail revenues fell. Any new licensed operators entering in 2027 will face an audience where nearly half have online gambling experience, and a portion already have accounts with international sites. Channelization success will depend on migrating those offshore customers and perhaps expanding online play among existing Veikkaus retail customers via better offerings.
- **Problem Gambling:** Finland's problem gambling rate (using the PGSI metric) was about 4.2% in 2023 (inclusive of moderate-risk gamblers). This is slightly higher than in 2019 (3%) – a concerning trend that despite overall fewer people gambling, the prevalence of gambling problems did not drop and even rose among men. Men and younger adults are disproportionately affected; fast-paced games and online

gambling (including offshore sites) are cited as contributing factors. The reform's harm prevention measures (limit setting, self-exclusion, game design rules) are a direct response to these findings – Finland is attempting to liberalize access while actually *strengthening* protections and treatment outreach at the same time. It's a delicate balance: authorities acknowledge that allowing advertising of high-risk games could increase consumption, and thereby possibly problem gambling, but they are betting on robust controls and the shift of players from an unregulated environment to a regulated one where help is available and games are somewhat "tamper-proofed" to mitigate risk.

- **Attitudes:** Public opinion in Finland has traditionally favored the monopoly for social responsibility reasons, but it's nuanced. In 2023, **74%** of respondents agreed the monopoly system is a good way to prevent harms. However, support varied by gender – **82% of women** vs **65% of men** favored the monopoly's harm prevention role. Younger adults (who grew up with internet gambling availability) are more skeptical of the monopoly. These attitudes imply that, post-2027, some segments of players will welcome private operators (particularly those already unconvinced that Veikkaus met their needs), while others might remain more comfortable with Veikkaus. Building trust that licensed newcomers are as safe and monitored as Veikkaus will be important. The government's communications around the reform stress that it is a controlled, responsible expansion, not a gambling free-for-all – effectively trying to assure the public that Finland is *not* abandoning its prevention ethos even as it opens the market.

**Competitive Landscape:** In the lead-up to licensing, major international companies and domestic stakeholders are positioning themselves:

- **Veikkaus** is restructuring to adapt. It will form a subsidiary to apply for a B2C license to continue offering its online casino and betting products in competition with others. This "Veikkaus competitive" arm will need to separate customer databases from the monopoly side, meaning Finnish players might, for example, have two accounts – one for lottery/scratch with Veikkaus (monopoly) and one for Veikkaus's licensed sportsbook/casino site. Veikkaus has a strong brand and trust advantage, but it will no longer be the only game in town for slots and betting. Its edge will be in a massive existing customer base and deep knowledge of Finnish players, plus the ability to cross-promote (within whatever limits regulators allow, which likely means very little cross-selling due to separation requirements).
- **International operators:** Firms such as Betsson, Kindred (Unibet), Flutter (Betfair/PokerStars), and Entain have long had Finnish customer bases offshore and are expected to seek licenses. Many have already implemented Finnish localization (language support, Finnish-marketed sites) even during the monopoly era, albeit without local license. Their expertise in online products could allow them to capture significant share once legal, provided they adapt to Finland's strict bonus/marketing rules. The ban on typical marketing tools will force them to compete on product quality and brand. Some companies might also partner with Finnish media or sporting entities for visibility (within sponsorship rules).
- **Åland's Paf:** Paf has the unique position of being a Finnish (Åland) operator that has operated somewhat in the "grey" for mainland. Paf has high responsible gambling credentials (it has imposed annual loss limits on its players voluntarily) and could appeal to consumers who value a Nordic, public-good-oriented operator. Paf will likely get a license and could be a formidable competitor in the online casino space, given it already offers a suite of games and has an established Finnish customer segment (3% played Paf online in 2023). Any taxes it pays will go back to Åland, which is politically palatable.
- **Horse betting interests:** The reform folds **horse race betting** into the competitive market (including on-track betting). The Finnish horse racing industry (Hippos) previously received funding from Fintoto (the horse betting monopoly merged into Veikkaus). Under the new system, private betting operators can offer bets on races. A concern is funding for horse sports – typically, other countries impose a levy

or require licensees to contribute to racing. Finland's Act did not specify a levy, leaving a question: will there be an agreement or tax mechanism to support horse racing from betting proceeds? This is an open question in 2026. It's possible that in implementing decrees or future legislation, a fee per bet or a direct subsidy will be arranged. For now, race betting will be open, which could attract specialized operators or maybe the Nordic betting exchanges.

- **Small domestic entrants:** Finland may see interest from local entrepreneurs or media companies to launch smaller-scale gambling operations (for example, a Finnish sports media might want to offer a branded betting service via partnerships). However, the high regulatory bar (compliance costs, no bonuses, 22% GGR tax) and competition from big international brands might limit the number of viable new Finnish startups in this space. One area to watch is the role of the Finnish government or municipalities – conceivably, a consortium of Finnish non-profits or a government-backed entity could launch a "responsible" betting site to compete (though Veikkaus itself fills that niche to a degree with its upcoming subsidiary).
- **Unlicensed operators (post-2027):** Not every company currently serving Finns will seek a license. Some high-risk/high-reward operators might continue operating without a license, targeting Finnish players and hoping to fly under the enforcement radar. These could include crypto-casinos or brands that don't want to comply with strict Finnish rules. The size of this remaining grey market will depend on how attractive the licensed market is. If most Finnish players feel the licensed options are sufficient (even without bonuses), the grey market may shrink. But if certain products (e.g. very high-stakes games, certain live casino experiences, or less restricted loyalty programs) are only available unlicensed, a segment of players might chase those. Finland's decision not to implement direct blocking means the door is ajar for such actors, but their draw is dampened by the tax on player winnings and lack of legal recourse.

## What Changed in the Last 14 Days? (Mid-Jan 2026 Developments)

- **Presidential Sign-Off and Act Publication (Jan 16–22, 2026):** On January 16, 2026, President Alexander Stubb formally signed the new Gambling Act into law, the final step required after Parliament's approval in December. This meant the act's provisions are now officially scheduled to come into effect as outlined (primarily on July 1, 2027). By January 22, 2026, the Act and related decrees were published in Finland's Statute Registry, providing the full text of the law to stakeholders. The publication confirmed details such as the exact licensing criteria and penalties. (Industry observers noted that the published Act aligns with what was expected – no last-minute changes were inserted beyond those debated in Parliament in late 2025.)
- **Government Press Release (Jan 15, 2026):** The Finnish Ministry of the Interior issued an English press release titled "Finland to open some gambling services to competition" on Jan 15, just as the Government sent the law for Presidential approval. This press release distilled the reform for international audiences, clarifying the main points (monopoly scope, licensing timeline, responsible gambling measures, marketing limits). It served to notify potential operators that license applications would indeed open on March 1, 2026, and encouraged early preparation. The release also highlighted that implementing projects are ongoing at the Ministry of Finance and Ministry of the Interior to ensure the new supervisory agency and decrees are ready in time.
- **No New Regulatory Guidelines (Jan 2026):** In the past 14 days, no additional guidelines or secondary regulations have been issued yet – these are expected over the course of 2026. The authorities have indicated that they will be drafting the required **Government and Ministry decrees through 2026**. Topics like game technical rules, licensing fees, and supervision procedures will be covered in those. As of late January 2026, stakeholders are awaiting drafts or consultations on these decrees.

- **Industry Reaction:** The final approval sparked a flurry of commentary:
    - International operators welcomed the clarity. Several companies (unofficially) signaled intent to apply for licenses. The industry press (e.g. EGR, SBC) in the past two weeks has run analyses noting Finland's high player value but also its strict regulations, advising operators to start compliance preparations immediately.
    - **Veikkaus Leadership Changes:** Just before the President's signing, Veikkaus announced an internal reorganization: the Deputy CEO Velipekka Nummikoski stepped aside from day-to-day operations to focus on special projects, given that the "new era" for Veikkaus is beginning. This was interpreted as Veikkaus bolstering its strategy team to handle the transition – Nummikoski was heavily involved in shaping the new law and will likely now advise on how Veikkaus Group should position itself under it. This leadership move was effective January 1, 2026, ensuring continuity as the implementation phase ramps up.
    - **Political Developments:** Finland's administrative committee in Parliament, just before the final vote, had suggested minor tweaks to the marketing rules and timeline (such as a slight delay to launch), but in the end the timeline remained and most marketing restrictions stood as proposed. Opposition-proposed amendments (raising age to 20, banning bonuses entirely by law, imposing a universal loss limit) were rejected in the final legislation. The law as signed reflects a balance agreed by the governing coalition. In the past two weeks, opposition figures have continued to voice that they will watch the outcomes on problem gambling closely and will push for adjustments (like shared loss limits) if harm indicators worsen.
- **Operator Preparations:** The last two weeks saw behind-the-scenes activity among prospective entrants. Companies are now less in "wait and see" mode and more in "get ready to apply" mode, since the legal uncertainty is gone. Some may have quietly started local incorporation processes or partnerships. Additionally, because Finland will require strong customer ID via the banks' system, talks between gambling firms and Finnish e-ID providers (e.g. banks, the Trust Network) likely intensified recently to ensure integration by 2027.
- **Channelization Monitoring Plan:** While not a public change, it's notable that in the Parliament's final response (published Jan 15), a resolution was included requiring the Government to **monitor channelization rate and gambling harms closely after launch and report back to Parliament**. In the last 14 days, the Ministry of the Interior and the new Supervisory Authority (in formation) have been tasked to develop metrics and data collection methods for channelization. This means Finland might conduct more frequent gambling prevalence surveys or use payment data to gauge the share of unlicensed play starting 2027. Stakeholders have been informed that a formal review of the reform's impact is expected by 2029, making the next few years critical in data gathering.

*In summary, the past two weeks solidified the reform into law and kicked off the implementation phase. No surprises were introduced post-Parliament, but all actors – government, Veikkaus, and prospective operators – have moved from planning to execution. The focus now shifts to drafting detailed regulations and preparing systems before the first license applications in March 2026.*

## The End of an Era: Finland's Gambling Monopoly (Past Context)

For decades, Finland has operated a state-controlled gambling model aimed at minimizing social harm and channeling proceeds to public good causes. Veikkaus Oy, in its current form since a 2017 merger of three entities (Veikkaus, RAY, and Fintoto), has held exclusive rights over virtually all gambling in mainland Finland. This encompassed:

- **Lotteries and Lotto draws** – weekly national lotto, Eurojackpot, and various raffles.
- **Sports betting (Veikkaus's "Vakio" and "Moniveto" pools, and fixed-odds bets)** – including football, ice hockey, and other popular sports, as well as toto betting on horse races.
- **Casino games** – a small number of physical casinos (Casino Helsinki and recently Casino Tampere) and an online casino platform with slots, table games, and poker.
- **Slot machines (fruit machines)** – tens of thousands of decentralized slot machines in supermarkets, petrol stations, kiosks, and arcades across the country.
- **Scratch cards and Instant games** – sold in retail outlets.
- **Online gambling** – Veikkaus.fi offered all of the above (except physical slots) in digital form to registered users.

No other company was legally allowed to market or provide these services to mainland Finnish residents. The only exceptions were:
(1) **Åland Islands** (an autonomous region) had their own operator, Paf, which could serve Åland residents and ship passengers, but officially not market to mainland.
(2) **International online operators** operating from abroad without Finnish permission – which Finland considered illegal but largely tolerated so long as they didn't advertise domestically.

This monopoly model was rooted in Finland's Lotteries Act and was justified by the government on public health grounds. Indeed, Finnish law explicitly set the objective of the gambling system as preventing problem gambling and ensuring consumer protection, not maximizing revenue. Veikkaus, as the sole operator, was subject to tight regulation and had a mandate to implement responsible gambling measures even at the expense of profit (for example, it pioneered loss limits on its online games). The revenues it did generate (about €1.1 billion gross annually pre-Covid, translating to roughly €500–€600 million in profit after paying the 12% lottery tax) were distributed to beneficiaries in arts, sports, science, and social welfare, engendering broad political support for the monopoly.

However, by the 2010s, cracks began to appear:

- **Digital competition bypassing the monopoly:** Despite legal prohibition, many Finns discovered online gambling sites based abroad that offered more attractive odds, better bonuses, a wider selection of casino games, and in some cases no strict loss limits. These sites – often licensed in Malta, Estonia, or Curaçao – began quietly attracting Finnish customers. By 2019, authorities estimated offshore operators were pulling in roughly €300 million of gross gaming revenue from Finnish players, or about 15% of Finland's total gambling spend. As noted, about 7% of Finns had used such sites annually, a figure that remained stable into 2023. Veikkaus's monopoly was not fully containing the market in the borderless internet era.
- **Public health criticism:** Around 2017–2019, Finnish media and health experts grew more critical of Veikkaus's practices, especially the pervasive slot machine network and advertising that at times felt excessive for a harm-focused monopoly. Scandals erupted around the placement of slots in low-income neighborhoods and marketing that appeared to encourage gambling. This led Veikkaus to scale back advertising in 2019 and remove thousands of slot machines in 2020. It also hastened implementation of machine ID checks and tighter online controls. These moves, while applauded by health advocates, directly reduced Veikkaus's revenues, putting pressure on funding recipients and sparking debate on whether the monopoly model was still financially sustainable.
- **EU pressure and Nordic trends:** Although Finland's monopoly survived EU scrutiny (unlike some countries) by arguing it was strictly for harm prevention, the success of licensing models in Sweden (launched 2019) and Denmark (2012) provided an alternative example. Those countries achieved over

90% channelization of online play to licensed companies while still maintaining lower problem gambling rates than Finland. Their state lotteries continued to thrive alongside private operators. This chipped away at the notion that a monopoly was the only way to protect players. Furthermore, the European Commission had grown less inclined to intervene on gambling monopolies if they truly were about harm prevention; the impetus for change came more from within Finland as stakeholders saw that a licensing model could actually yield better control over the previously unchecked offshore sector.

By 2022, Finland's government (then led by Prime Minister Sanna Marin) ordered a preliminary study on breaking the monopoly, influenced by mounting evidence that the monopoly was not sufficiently achieving its harm-prevention goal (given problem gambling rates) nor channeling all play. This study, delivered in 2023, recommended considering a controlled opening for online gambling, citing that doing nothing could lead to increasing outflow to unregulated operators.

The political turning point came after the 2023 elections. The new center-right coalition government of Petteri Orpo included in its June 2023 program a clear commitment to move to a "partial license-based system" for gambling by 2025/2026. This had cross-party support as even the opposition acknowledged the status quo's issues (though some wanted even more stringent measures like gambling ads prohibition).

Thus, this reform is in many ways the end of an era: the concept of a benevolent monopoly that can single-handedly manage all gambling is giving way to a hybrid approach. Veikkaus itself has publicly conceded that a licensing model became necessary because "digital channels cannot be fenced in by national borders" and because it had to cut back on products to uphold ethics, which left a gap offshore.

It's worth noting that while the monopoly is ending for online and betting, **Finland is retaining a monopoly approach for what are seen as higher-risk, harder-to-regulate sectors (lotteries, scratch cards, physical slots).** These are games that have traditionally been very lucrative (lottery) or potentially very harmful (slots), and the state believes keeping a single operator with tight control (and recent reductions in availability) is the best way to manage those. Online casino and betting, conversely, were already effectively partially "lost" to offshore in practice; licensing is an attempt to regain control over them.

In summary, as of 2026 Finland stands at a crossroads: the long-standing monopoly is being partially dismantled not due to external pressure, but as an adaptive strategy to current realities. The next era will test whether a regulated competitive market can indeed yield the dual benefits of maintaining or improving responsible gambling outcomes while recapturing the players who have drifted to unregulated environments.

*(To illustrate the past situation, **Appendix A** provides a timeline of major events in Finnish gambling regulation and market data trends 2007–2023, and **Appendix B** summarizes the monopoly-era responsible gambling measures Veikkaus had implemented, which form the baseline for the new system.)*

## New Licensing Architecture and Regulatory Bodies

With the passage of the new Gambling Act, Finland's gambling regulatory framework is undergoing a structural overhaul. This section outlines how the licensing process will work, the roles of regulatory bodies, and the compliance architecture that licensed operators must navigate.

**Licensing Authority:** Until June 30, 2027, the Finnish National Police Board's Lottery Administration (which currently oversees Veikkaus and enforces the Lotteries Act) will handle license applications and preparatory oversight of new entrants. During this transition, the Police Board will effectively be evaluating applications for a market that isn't active yet, which is unusual. They will issue decisions on B2C licenses likely by late 2026 or early 2027, possibly giving operators conditional approval that becomes valid on July 1, 2027.

On July 1, 2027, a new independent regulator, referred to in English as the **Finnish Gambling Supervisory Authority** or **Agency**, will take over all regulatory duties. The creation of this agency is a significant institutional change – it means that regulation of gambling will no longer sit within a department of the Police but in a specialized body, likely under the Ministry of Interior or Ministry of Finance's purview. Its exact name and structure are pending; a project under the Ministry of Finance is working on establishing it (covering hiring staff, setting up IT systems for license monitoring, etc.). By all accounts, the new authority will resemble Sweden's Spelinspektionen or the Danish Gambling Authority (DGA) in function.

The new Authority's mandate includes:

- **Processing license applications** (after mid-2027) and renewals.
- **Continuous supervision** of license holders: auditing operations, ensuring responsible gambling and AML compliance, reviewing required reports (licensees must submit annual service reports and possibly interim data).
- **Technical monitoring:** the Authority will have the capacity to conduct technical oversight of games and transactions in real-time or near-real-time. This suggests Finland may require integration of operator systems with a central monitoring system. For instance, Denmark uses an online data reporting system (SafeSys) where licensees periodically send game and transaction data. Finland's law mentions "technical monitoring of games and player account transactions" – details to be determined, but it could involve anything from having read-access to databases to receiving alerts on certain events. This is aimed at both ensuring fair games and detecting suspicious or illegal activity (match-fixing, fraud, etc.).
- **Approving game integrity:** All gambling operators will need to have their game RNGs, lottery draw equipment, and outcomes certified by approved testing labs. The Authority will set criteria for these third-party assessment bodies (akin to eCOGRA, GLI, etc.). Certification likely needs renewal periodically or when games change. This ensures games are fair and not manipulable, which protects consumers.
- **Enforcement:** The Authority can investigate and act on breaches of the Gambling Act by licensees (issuing warnings, administrative fines up to a certain percentage of turnover, penalty payments for serious breaches, and ultimately license suspension or revocation for egregious or repeated violations). Certain violations also remain crimes prosecutable by police (e.g. running gambling without a license, or money laundering).
- **Illegal market oversight:** The Authority inherits the Police Board's job of tackling unlicensed gambling targeting Finland. As discussed, it can issue prohibitions on illegal offerings or ads and impose conditional fines. It must publicize those decisions, adding transparency to enforcement actions.
- **Guidance and secondary regulations:** The Authority will likely have power to issue guidelines to licensees (for example, clarifying how to implement self-exclusion, or how to market responsibly within the law's framework). Some detailed regulation can also be done via Ministry decrees – the Ministry of Interior will issue decrees on running gambling games up to Feb 2027 as noted, and possibly transfer that power to the Authority or Ministry of Finance thereafter. For example, the decree on technical game features will heavily shape product offerings (the Nordia source indicates key parameters will be set later).

**License Application Requirements:** The Act and forthcoming decrees outline what an operator must submit to get a license. Based on the law and general practice, an applicant must provide:

- **Corporate information:** proof of incorporation in an allowed jurisdiction. The Act specifies licenses can be granted to any natural or legal person that meets eligibility under the Finnish Enterprise Act. In practice, likely this means the operator must at least have a branch or subsidiary in the European Economic Area (EEA). Many expect Finland to require either a Finnish company or at least a locally registered branch to ensure tax compliance and legal jurisdiction. This will be clarified by the Police Board in their application instructions.
- **Business plan and service description:** which games the operator intends to offer, through which platforms (web, mobile), and any specific target market within Finland. If an operator seeks to offer new forms of betting like eSports or virtuals, they must ensure it falls under allowed categories.
- **Evidence of integrity and competence:** details of the company's owners, directors, and key personnel to undergo fit and proper checks (no criminal backgrounds, experience in running gambling operations, etc.). Past regulatory infractions in other markets might need disclosure. There is a provision that past violations of Finnish gambling law can disqualify an applicant, meaning if a company was openly taking Finnish customers and marketing illegally, the Police Board might reject their application as "not of good repute." Each case will be considered individually, but it encourages a clean break by any grey operators who want to become white-market.
- **Financial stability:** operators need to show they have the financial capacity to maintain operations and pay out winnings. This could include providing financial statements, guarantees, or information on corporate structure and financing.
- **Detailed compliance plans:** Finland will expect to see draft policies or descriptions for how the operator will comply with all obligations. This includes an AML program/policy, a security policy (cybersecurity, data protection measures), a responsible gambling policy (covering how they implement self-exclusion, limits, etc.), and a marketing plan demonstrating adherence to Finnish rules. The Nordia insight specifically notes that operators should be prepared to submit their marketing policies, internal approval processes for ads, and how they'll monitor marketing compliance. Similarly, an operator might need to outline their game fairness testing approach and internal audit procedures.
- **Technical setup information:** details about the gambling platform, where servers are located, how data will be accessible to the regulator, and which third-party software providers they use. Given the upcoming B2B license requirement, operators will likely need to list all their critical software suppliers. Pre-2028, using unlicensed (international) suppliers is allowed (since B2B licenses won't exist yet), but they might still vet those suppliers for integrity and likely ask if they plan to apply in 2027.
- **Application fee:** The exact fee is to be set by Interior Ministry decree in early 2026. By law it must correspond to the costs of processing the application. In similar markets, application fees range from a few thousand euros to tens of thousands. We anticipate Finland's might be on the order of €8,000–€20,000 for a B2C license application, but this is speculative. The Act also sets that Veikkaus's exclusive license involves a separate fee calculated from its revenue (to offset state aid concerns), but that's not directly relevant to other operators.
- **License fees and supervision fees:** Besides the one-time application fee, the law establishes an **annual supervision fee** for all licensees to fund the Authority. This will likely be proportionate to the licensee's revenue or a fixed bracket fee. Operators must budget for this as a cost of doing business (the intent is to make the regulatory system self-financing by industry). Again, specifics will be in a decree or Authority decision.

The licensing process will involve a thorough review by officials, and possibly consultation with other agencies (for example, police background checks on individuals, or asking the AML enforcement unit for input). By late 2026 or early 2027, we expect the first provisional licenses to be granted, conditional on some requirements like final system testing. Operators will need to pass a certification before launch – demonstrating their games and systems function properly and all safeguards (ID verification, etc.) are integrated.

**Interim Period (2026–27):** During the transition, Veikkaus remains the sole legal operator. Notably, the Act explicitly bans any new operator from even advertising during this interim period. So, even if a company gets a license in principle in Jan 2027, it cannot start marketing to Finns until July 2027. The rationale is to avoid confusion and a free-for-all before the regime is fully operational. Enforcement authorities will be extra vigilant in 2026/27 to ensure offshore operators don't ramp up marketing claiming "licenses coming soon". Any such activities could jeopardize their licensing chances.

Veikkaus will continue under current rules until June 2027, including fulfilling stricter RG measures it's already implementing. One important preparatory step is **dividing Veikkaus's operations**. The Act requires that monopoly and licensed operations be clearly separated within Veikkaus Group. In practice, we expect in 2026 Veikkaus will incorporate a subsidiary (let's call it "Veikkaus Betting and Games Ltd") which by 2027 will take over its online betting, casino, poker, and bingo services, and apply for a general gambling license. Meanwhile, the parent Veikkaus Oy will stick to lottery, scratch, and slots. Separation means things like:

- A player will likely have to create a new account for the Veikkaus competitive subsidiary's services due to legal separation of customer databases. Shared wallets or transfers might not be allowed, or if allowed, it must be at arm's length and transparent.
- Marketing materials and branding might need clarity – e.g., the new company might use a distinct brand or at least clearly label which entity operates which service in terms and conditions. (Veikkaus may keep the same consumer-facing brand for familiarity, but the corporate distinction will exist behind the scenes.)
- Financial separation: The law stresses financial arrangements between the monopoly side and competitive side must be on market terms. So if, say, the monopoly side cross-promotes the new site, they might have to charge an arm's length marketing fee to avoid hidden subsidy. The exclusive license fee paid by Veikkaus monopoly is partly to remove any excess profit that could be funneled to the competitive business.

The Prime Minister's Office will continue to oversee state ownership of Veikkaus Group, but interestingly, the Act removed the requirement that Veikkaus be 100% state-owned. This theoretically allows the government to sell a stake in Veikkaus or bring in investors in the future (with Parliamentary approval). While no immediate plan exists to privatize any part of Veikkaus, this legal change reflects a more open-minded approach to the gambling business in Finland, perhaps seeing it less as an intrinsic state function and more as a commercial sector that can be opened up.

**B2B Licensing Nuances:** The introduction of B2B licenses is forward-looking. From July 2027, suppliers can apply, but operators only *must* use them from July 2028. This suggests a one-year grace period for software providers to get licensed. If a supplier fails to get a license by then, operators would have to discontinue using that supplier's games or platform in Finland. The Act's examples of what constitutes gambling software are broad – including RNGs, result display systems, live streaming tech for casinos, and even "software used for transfers to game accounts". This could rope in payment service providers that offer gambling-specific solutions, or at least major platform components. The aim is to cover any critical component that could affect game outcome or consumer funds. Providers will need to show the same integrity and security standards as operators (but likely won't need separate RG policies since they don't interface with players directly).

There's also a subtle effect: by licensing suppliers, Finland gains leverage even over companies that choose not to get an operator license. For example, an international game studio might not operate casinos itself but if it wants its games in Finland, it needs a B2B license. That brings them under Finnish oversight (to some extent).

If that studio then provides games to an unlicensed Finnish-facing operator, Finland could threaten its B2B license. So it's a way to pressure the ecosystem to align with the licensed market.

**Fees and Funding:** Finland's approach is that licensing and oversight should largely pay for itself via fees. We've noted application fees and annual fees. Additionally, the exclusive Veikkaus license fee (essentially a sum extracted from Veikkaus's monopoly profit) can also be seen as funding channel, albeit that likely goes to state coffers in general. The start-up cost of the new Authority is non-trivial – offices, IT systems (possibly a self-exclusion database, a central monitoring system, licensing portal, etc.), and hiring of maybe 50–100 staff including technical analysts, responsible gambling specialists, auditors, legal advisors, and support. For context, Denmark's regulator has around 100 staff; Sweden's around 60–70. Finland may start smaller and scale up. The Ministry of Finance's project (VM168:00/2024) will handle this setup through 2026. The Parliament has emphasized giving the Authority adequate resources, recognizing that under-resourcing would jeopardize both channelization and harm prevention oversight.

**Summary of License Types and Terms (Table):**

| License Type | Permits | Eligible Applicants | Term | Availability | Key Conditions |
|---|---|---|---|---|---|
| **Exclusive License** (Monopoly) | Lotteries, Pools (sports toto), physical slot machine operations, physical casino table games (incl. Casino Helsinki/Tampere) | Veikkaus Oy (or its state-controlled designate) | 10 years (renewable) | 2027 onward (Veikkaus currently has de facto rights until then) | Subject to monopoly fee (state aid offset); must remain majority state-controlled; cannot be transferred. Veikkaus must uphold stringent RG measures in monopoly products. |
| **Gambling License** (B2C) | Online betting (sports & horse), online casino games (roulette, blackjack, etc.), online slot games, online bingo, and other online RNG games not under monopoly. Also includes betting on virtual events. | Any company or person meeting fit & proper criteria (expected to require EU/EEA presence) – including Veikkaus's subsidiary, Paf, foreign iGaming firms, etc. | Up to 5 years (renewable) | Applications open Mar 1, 2026; operations from Jul 1, 2027 | Must adhere to all RG, AML, and marketing rules; pay 22% GGR tax & annual supervision fee; use only approved (licensed) software suppliers by 2028; subject to audit and information-sharing with regulator. |
| **Gambling Software License** (B2B) | Supplying of essential gambling software to licensed operators (e.g. game content, platforms, RNGs, betting systems). Does not permit offering | Any software or service provider for gambling that meets criteria (likely global companies can apply – need not | Up to 5 years (renewable) | Applications open Jul 1, 2027; requirement effective Jul 1, 2028 | Licensed suppliers must ensure their products meet technical standards and allow regulator access for audits. Operators cannot use |

| License Type | Permits | Eligible Applicants | Term | Availability | Key Conditions |
|---|---|---|---|---|---|
| | games directly to consumers. | be Finnish registered if they can be supervised). | | | unlicensed suppliers beyond transition period. Suppliers must not facilitate unlicensed gambling in Finland or risk losing license. |
| **Charitable Raffle License** (existing minor license, unchanged by reform) | Non-money lotteries (small raffles, bingo nights for charity) | Non-profit organizations (Finnish) | Varies (often per event or annual) | Ongoing under separate provisions | *Note: The reform did not significantly change these small-scale licenses; they remain under the Lotteries Act for public benefit draws with strict limits.* |

*(Table: Finland's post-2027 gambling license categories. This excludes Åland's separate jurisdiction and small non-profit raffle licenses. Veikkaus's exclusive license is distinct from its competitive subsidiary's gambling license.)*

As depicted, the regulatory framework is comprehensive. By mid-2027, Finland will have in place the legal and institutional setup to manage a multi-operator gambling market, with an emphasis on close supervision. The success of this architecture will depend on execution: Will the new Authority be up and running in time? Can it process potentially dozens of applications in a matter of a year? Will it be able to enforce the rules effectively, given the broad scope (from technical game compliance to marketing policing)? These are challenges ahead, further discussed in our Open Questions section. But the structure on paper is designed to be robust and is largely in line with international best practices molded to Finland's harm-prevention ethos.

## Finnish Gambler Preferences and Behavior (Data-Driven Insights)

Understanding what Finnish players like to play – and how, and where – is crucial for both policy and operators planning entry. The Finnish Institute for Health and Welfare's extensive surveys (conducted every 4 years) shed light on the patterns that the new licensing regime will confront. Here, we present key findings from the **2023 Gambling Population Study** and other data, accompanied by charts and tables for clarity.

**Overall Participation Decline:** Gambling participation has been trending downward in Finland. As noted, the share of adults (15–74) who gambled in the past year dropped from 78% in 2019 to 70% in 2023. **Figure 1** below illustrates this decline which began around 2015, coinciding with increased responsible gambling measures and perhaps generational shifts (younger Finns gamble less than older ones on traditional products).

*Figure 1: Past-Year Gambling Participation Rate in Finland, 2007–2023 (Percentage of population 15–74). After peaking in 2015 at over 80%, participation fell to 70% by 2023, indicating a smaller gambling audience, possibly due to stricter controls and changing attitudes.*

While fewer people gamble now, those who do might be concentrating their activity (the total spending hasn't dropped commensurately with participation, indicating intensity among remaining players stayed similar). Additionally, the risk profile has not improved as hoped – the reduction in casual gamblers hasn't yet translated to fewer problem gamblers proportionally.

**Game Popularity:** The Finnish market has historically been characterized by a love for lottery and scratch games. **Table 1** shows the most played game types in 2023:

| Game Type (Veikkaus offering) | % of adults who played in 2023 |
|---|---|
| Lottery draw games (Lotto, Eurojackpot, Jokeri) | **52%** |
| Scratch cards (paper and online instants) | **40%** |
| Slot machines (physical, outside casinos) | **18%** |
| Betting on sports or horses (any format) | ~15% (est.) |
| Online casino games (slots/table games on Veikkaus.fi) | ~8–10% (est.) |
| Poker (online or offline) | a few % (likely 2–3%) |

*Table 1: Participation rates by game type, 2023. (Sources: THL preliminary data; estimates for betting and others derived from 2019 vs 2023 trends, as exact 2023 percentages were not all published. "Betting" includes sports pools and fixed-odds; "online casino games" refers to playing Veikkaus's online slot/table games.)*

Lotteries clearly dominate – over half the population plays Lotto or related draw games annually. This is a stable cornerstone: lottery play has high participation but low frequency (many play occasionally when jackpot is big). Scratch cards also enjoy broad appeal across demographics for their simplicity. In contrast, only about one in six Finns plays the slot machines that are in shops, reflecting that these tend to have a devoted user base that plays often (and incurring a large share of losses) rather than mass appeal.

Sports betting and horse betting combined reach around 15% of people. This might be lower than some might expect given Finns' sports fervor, but it suggests the Veikkaus sports betting offerings (which were somewhat limited in odds competitiveness and variety) did not entice a huge portion of the public. This is exactly where new operators might expand the market by offering more variety (in-play betting, more leagues, better odds), possibly increasing that participation post-2027.

Poker and other niche games are small; Finland had a poker boom in the 2000s (with international successes like Patrik Antonius), but poker is now a minor activity.

**Online vs Offline Play:** A very important trend is the migration to online:

- In 2007, only 11% of Finns had gambled online. By 2015, it was 29%. By 2019, 36%. And in 2023, **44%** gambled online.
- Meanwhile, land-based play (e.g. physical slot machines, retail lotto) dropped. The COVID-19 pandemic accelerated this shift: Veikkaus saw increased online registrations when casinos and slot halls were closed.
- Veikkaus's own split: roughly 45% of its revenue in 2022 came from the digital channel. We can expect that to exceed 50% by 2027, meaning the majority of Finnish gambling spend will be online.

The implication is that the new licensing mainly addresses where the growth and action already is – online. Land-based venues (except those physical slots) are marginal aside from the flagship casinos.

**Offshore Gambling Patterns:** Approximately **7%** of the population gambled on non-monopoly platforms (i.e., Paf or foreign sites) in 2023. This overall percentage hasn't grown recently, but the composition might have: Paf's share increased slightly, meaning perhaps foreign dot.com sites stayed around 4–5% of people. It's useful to know who these offshore gamblers are. THL's survey reveals:

- They skew heavily **male** – 12% of men vs only a few percent of women used offshore sites.
- They are **younger** – 15% of 18–29 year-olds gambled offshore, compared to virtually 0% of over-65s. There was even an uptick in the 45–59 age group since 2019 (from a low base), but the core remains young males.
- They favor fast online games and sports: likely online slots, live casino, sports betting on international leagues, eSports, etc.

Understanding this, new licensees will target particularly these demographics – offering the products and experiences that drew them offshore, but now under Finnish regulation.

**Channelization Baseline:** Channelization rate is often defined as the share of total gambling revenue spent on regulated (legal) offerings. Finland's channelization for online was estimated around 80–85% prior to reform (Veikkaus and Paf capturing that, with 15–20% going to foreign sites). For land-based, it was near 100% (since illegal physical gambling is negligible). The overall gambling channelization might have been ~90%. The government aims to drive online channelization closer to, say, 95%. Achieving that means converting many of those 250k offshore users to local sites and hopefully preventing new players from going unregulated.

**Money Flows and Expenditure Patterns:** Finnish gamblers on average did not increase their spend 2019–2023 even as fewer people played. THL data show that mean spending among gamblers stayed flat; this implies the total market GGR was either stable or slightly down. Indeed, Veikkaus's annual GGR dropped from ~€1.7bn in 2019 to ~€1.1bn in 2022 (partly due to COVID and machine removals), and some of that reduction may have gone to offshore or just reflect less gambling overall. The new licensing might recapture some lost spend (through offering new products like live betting that re-engage lapsed bettors) or it might cannibalize Veikkaus's existing revenue if not many new players come in.

One interesting stat: In 2023, **2.2% of gamblers accounted for 50% of the total gambling expenditure** in Finland. This highlights the skew – a small minority of heavy players generate the bulk of losses (and likely, the bulk of problem gamblers reside in that group). This is common in gambling markets but underscores why Finland is being careful: if competition leads to companies chasing those high rollers aggressively, it could worsen outcomes for that vulnerable 2.2%. On the other hand, with central self-exclusion and enforced limits, the system aims to moderate the risks for those individuals.

**Regional Differences:** Gambling participation used to be higher in rural areas and among Swedish-speaking Finns (historically due to betting on trotting in rural communities and Paf usage in the Swedish Åland community). The reform is national in scope, but one quirk: Åland's Paf is local to Åland and also runs all gambling there. Åland residents (about 30k people) will likely remain playing on Paf as usual – they are not the main target of new licenses, since those will cover mainland. Mainland Finnish players who played on Paf can either keep playing on Paf (if Paf obtains a license) or try new sites.

**Attitudinal Trends:** Between 2019 and 2023, Finnish public attitudes turned more critical of gambling in some respects. The majority (61%) in 2023 felt there are “too many opportunities to gamble” in Finland, a response to the prevalence of slot machines historically. Also 90% said gambling should not be encouraged. These attitudes likely pressured Veikkaus to cut down visible gambling and the government to ensure the new competitive market doesn’t mean a flood of new gambling outlets on every corner. Notably, in the new law Finland kept **physical slot machines in the monopoly** precisely to allow continued reduction and control of those without new companies placing machines.

Yet, a slight majority (58%) also agreed people have the right to gamble whenever they want – indicating support for personal freedom as well. And about 20% think gambling overall benefits society (likely in reference to the revenue for good causes).

From those somewhat conflicting views, one can infer Finns are okay with gambling existing but want it contained and tempered. The challenge for new operators will be to gain acceptance by demonstrating they are operating responsibly and contributing positively (through tax and perhaps sponsorship of sports or charities, albeit carefully). They must avoid high-profile missteps (like ads that clearly target youth or a spike in problem gambling cases tied to their brand) that would turn public sentiment further against gambling expansion.

In **Appendix C**, we include additional tables from THL’s 2023 study, such as the breakdown of gambling participation by age and gender, and the long-term trend of online vs offline play. These provide deeper insight (for example, the sharp decline in under-18 gambling after strict ID checks, or the increase in exclusive online play vs mixed online/offline play).

To summarize the key gambler preferences relevant to 2027:

- Finns love lotteries – that stays with Veikkaus (no change).
- Finns enjoy convenience and anonymity of quick games (scratch cards, slots) – but those will be highly regulated and not heavily expanded in availability despite more online slots.
- The growth opportunity and competition battleground will be in **online sports betting and casino**, particularly for men under 50. Currently their needs were partially unmet; soon they will have many legal options.
- There is a substantial group of heavy gamblers who use multiple products and contributed most revenue – how they shift their play (stay with Veikkaus out of habit, or try new platforms for better offers) will significantly impact market shares and channelization.
- Responsible Gambling tools will be ubiquitous, so Finnish players will experience more intervention and friction (e.g., setting limits, seeing regular reminders) on any licensed site than they might have on offshore sites. The hope is they accept this as the new normal and do not find it a reason to return to unregulated operators that might still offer unbridled play.

This data-centric understanding will inform the scenarios and industry strategies discussed later in the primer.

## Regulatory Obligations for License Holders (Compliance Deep-Dive)

Licensed operators in Finland will face a rigorous compliance regime. This chapter provides a checklist-style deep dive into what will be expected of licensees day-to-day, spanning game offerings, security, reporting, and social responsibility. It translates the legal requirements into practical operational mandates.

**1. Game Offering and Product Compliance:**

- **Permissible Games:** Licensees may offer only the game categories allowed by their license – betting (sports, esports, and horse racing including on-track and virtual racing), online casino games (slots, roulette, blackjack, etc.), online poker, online bingo, and any other online RNG games not reserved as monopoly. Not allowed: lottery draw games or scratch lotteries (those remain Veikkaus-only). Any novel game type that doesn't clearly fit might require regulator consultation; generally, if it's a game of chance played for money and not a traditional lottery, it likely falls under "online casino game" and is allowed. Betting is broadly defined, but some betting types might be disallowed for integrity reasons (for example, betting on negative events like fouls, or underage sports). The law gives the regulator power to set **"restrictions on betting options"** to prevent misuse – expect specific guidance (e.g. no betting on youth leagues, or on events that could be easily manipulated).
- **Game Approvals:** All games and betting products must be fair and random. Operators have to ensure their RNG (Random Number Generator) and game software is tested and certified by an approved third-party lab before offering games. They likely need to submit certification reports to the regulator for each game category or platform component. If new games are introduced (e.g., a new slot title), if it's from a licensed B2B provider, it presumably comes certified. If an operator self-develops a unique game, they must get it tested.
- **Jackpots and Payouts:** The law does not fix payout ratios, but any jackpot or pooling mechanism might need approval. Operators can offer progressive jackpots on slots or networked prizes, but they must ensure terms are clear and funds for jackpots are ring-fenced. The upcoming technical decrees might set max jackpot limits or contribution rules.
- **Poker networks:** Finland's law doesn't explicitly forbid shared poker liquidity. Veikkaus currently runs a closed poker network. Post-2027, international operators might want to link Finnish players to their global poker rooms. This could be allowed as long as the operator is licensed – Finnish players could be pooled with others, as seen in some other jurisdictions. However, regulators might require that all players on the same platform adhere to similarly robust verification, etc., which could complicate if sharing with non-Finnish sites that have different rules. This remains to be clarified; it's an open point whether Finland insists on ring-fenced poker or not.
- **Physical presence:** B2C licenses do *not* cover opening physical establishments. Private licensees cannot open arcades or casinos. All operations must be remote (online) except potentially organizing bets at race tracks (on-track betting). The Act specifically allowed on-track horse betting under competitive licenses, meaning e.g. a racetrack or a betting operator can take bets at a racecourse. The integration of on-course betting with the rest of the licensed system will be interesting – likely racetracks might partner with licensed operators or become agents. But aside from that niche, no betting shops or new slot halls will pop up; retail betting remains with Veikkaus's existing network (unless that too is eventually opened).
- **Game Integrity and Security:** Operators must ensure games cannot be tampered with. Systems should have fraud detection (for collusion in poker, etc.) and robust cybersecurity. Any significant incident (like a data breach or a manipulation attempt) likely has to be reported to the Authority promptly as an incident report.

**2. Player Account Management:**

- **Strong Identification & Age Verification:** From registration onwards, players must be verified via strong electronic ID (likely Finland's bank ID or Mobile ID). This isn't optional – it's required for the account creation to be complete. Temporary accounts or anonymous play will not be allowed. In practice, this means foreign operators must integrate with the Finnish Trust Network (suomi.fi e-

Identification) or similar to allow users to log in with their bank credentials or mobile certificate. It's an integration many industries in Finland use, but gambling will mandate it for both age and identity assurance. This automatically filters out minors (since they won't have the Bank ID if under 18 in a usable way).

- **One Account per Operator:** It's expected that an operator can only allow one account per person (duplicate accounts are prohibited). Operators will need to link accounts to personal identity codes to prevent multi-account abuse.
- **Self-Exclusion and Revocation:** Licensees must check every login or signup attempt against the national self-exclusion register and block access for excluded individuals. If a player self-excludes on one site or via the central system, all operators have to bar them. Operators also must promptly execute any self-exclusion requests made directly on their platform. They should provide easy tools for players to self-exclude for various durations (short cool-off, 3 months, 6 months, permanent, etc., with permanent being at least a year before they can request removal typically).
- **Deposit/Transfer Limits:** As noted, every player must set daily and monthly deposit limits for each operator account. The operator's system must enforce these (no deposits beyond the limit, and allow lowering limits with immediate effect but any raising of limits only after a delay, often 24 hours). Operators also likely have to have default limits if a player doesn't set one (perhaps default to €500/day and €2000/month, as Veikkaus has some defaults).
- **Loss/Time Limits:** Beyond deposit limits, many operators voluntarily or by expected practice will also offer loss limits and play time limit tools. The law doesn't mandate a cross-operator loss cap, but it doesn't forbid an operator from implementing its own loss limits. Indeed, to stay in line with harm prevention, licensees might impose their own maximum loss limits per day/month (Veikkaus does €1000/day for online slots, for instance). Additionally, session time limits or reality check pop-ups every 60 minutes of continuous play may be required (likely to be detailed in technical regulations).
- **Responsible Gambling Messaging:** Operators must display RG info prominently: time and money spent, responsible gambling support links, etc. The Act requires all marketing and probably the websites to include info about help services. Operators will feature tools like self-assessment tests or budgeting calculators as well.
- **VIP Monitoring:** Given that VIP programs are banned, operators shouldn't have "VIP managers" trying to encourage higher play. Instead, high spenders should trigger compliance reviews (source of funds queries as part of AML, and responsible gambling checks). Operators are expected to identify if a player is spending beyond their apparent means and potentially intervene or report unusual activity.

**3. Anti-Money Laundering (AML) Obligations:**
As earlier discussed, Finnish licensees will be "obliged entities" under AML law:

- **Know Your Customer (KYC):** Beyond initial identity verification (KYC level 1), operators must conduct enhanced due diligence on players that reach certain thresholds (like cumulative deposits over €2000 or if they exhibit patterns that might indicate money laundering). This can include verifying the source of funds (asking for pay slips, bank statements if suspicious), especially for large transactions.
- **Transaction Monitoring:** Operators need systems or reports to flag unusual betting or funding patterns. For example, if someone deposits €10k, bets a tiny fraction and withdraws €9.8k, that's a red flag for potential laundering. If someone frequently deposits just under reporting thresholds, that's suspicious. These events should generate internal alerts.
- **Reporting:** All Finnish licensees must file Suspicious Transaction Reports (STRs) to the FIU for any transaction or activity they know, suspect, or have reason to suspect is part of money laundering or terrorist financing. They also have to file larger cash transaction reports, though in online gambling cash

isn't used – but if someone tried to deposit a huge amount via a bank account, it might be reported if unusual.

- **Record Keeping:** Keep records of customer identification and transactions for 5 years minimum and be able to provide them to authorities on request.
- **AML Training:** The operator's staff must be trained in AML – recognizing signs and knowing how to escalate.
- **AML Officer:** Appoint a compliance officer to liaise with authorities. This person must be fit for dealing with FIU and ensuring company adherence.

Finland has implemented the EU 5th AML Directive, so requirements are similar to other EU jurisdictions, albeit Finnish FIU may pay close attention given gambling's potential for illicit use. Notably, the strong identification at account creation simplifies AML a lot – no anonymous or pseudonymous play is possible, so verifying identity is straightforward through bank ID.

**4. Consumer Protection & Fair Play:**

- **Customer funds protection:** Operators likely will be required to segregate player balances from operational funds, or at least ensure player funds are protected in case of insolvency (some markets require a trust or insurance for player balances). This might not be explicitly in law but could be a license condition. Transparency around terms and conditions, game rules, and odds is mandated – players must have access to information about how games work, pay-out percentages, etc.
- **Complaints and dispute resolution:** Operators must have an internal complaints procedure and belong to an alternative dispute resolution (ADR) scheme or at least be subject to oversight by consumer protection authorities. Finland may set up a gambling ombuds or assign this to the regulator. In any case, players should know how to lodge a complaint and escalate it if unsatisfied. The Act doesn't detail this, but general consumer law will apply.
- **Advertising compliance:** As covered in the marketing section, but to reiterate for licensees: every piece of advertising must be vetted for compliance (no minors, required text, etc.) before release. Operators should implement internal marketing approval processes (the Nordia insight mentioned that demonstrating this process is likely required in licensing).
- **Data Protection:** Being online services, licensees must comply with GDPR. Player data must be securely stored, used lawfully, and likely not transferred outside approved areas without safeguards. Given they will be doing ID verification, they'll handle personal identity codes, etc., so high data security standards are expected. The regulator will have rights to access data, but operators still must protect it from unauthorized access or breaches.
- **Software standards:** Possibly requiring ISO/IEC 27001 certification (information security standard) for the platform or similar, as some regulators do. Or at least, a comprehensive IT security policy.
- **Audits:** The Act mentions third-party assessment of game systems. Additionally, the regulator might conduct audits or require operators to hire an independent auditor periodically to assess compliance (covering RG processes, AML, IT security).

**5. Reporting Duties:**

- **Regular reporting:** Licensees will need to send periodic reports to the Authority, likely including: monthly GGR, number of active players, number of new registrations, number of self-exclusions, summary of interventions made, etc. Annual reports must be more detailed, describing all games offered, any changes, compliance actions taken, and financial statements of the Finnish operations.

- **Incident reporting:** If certain events occur – like a major system outage affecting players, a breach of gambling accounts, a serious violation (e.g., a self-excluded player was accidentally allowed in) – operators should inform the Authority promptly along with corrective measures.
- **Marketing report:** The Nordia analysis suggests operators will be required to file detailed annual marketing reports covering campaigns, channels used, and how they ensured compliance. This level of oversight on marketing indicates the regulator wants to closely monitor the volume and nature of gambling advertising.
- **Financial reporting:** For tax purposes, companies will report their revenue and pay the 22% lottery tax on GGR to the Tax Authority regularly (perhaps monthly or quarterly). Also, if any of their corporate structure changes or they risk insolvency, they must inform authorities.
- **Key event notifications:** Many regulators require notification of certain key changes: new executive appointments, change of ownership, new game launches (if significant), new bonuses or promotional initiatives (in Finland's case, there won't be many, but e.g. if they plan a "bonus play money" campaign, they might need to inform the Authority to ensure it meets criteria).

**6. Enforcement and Penalties Recap:**
Operators who fail to meet these obligations face a ladder of enforcement:

- **Informal direction:** For minor issues, regulators might issue a notice to improve compliance.
- **Administrative fine:** For breaches of conditions (like advertising violation, minor RG lapses), the Authority can levy a fine. The Act authorizes these administrative fines, likely scaled to severity and possibly to the size of the operator.
- **Penalty payment (sanction):** For serious or persistent issues (like ignoring an order to fix something, or a major AML failure), a larger financial penalty can be imposed. The law hints that certain infractions could lead to payments (which might be akin to turnover-based fines).
- **License suspension or revocation:** If a licensee is found to be in serious breach (e.g., knowingly allowing underage gambling, or facilitating criminal activity, or not paying taxes), the Authority can as last resort suspend or cancel the license. Operating without a license or after revocation is a criminal offense, so that would have further legal consequences.
- All enforcement decisions such as injunctions, fines, and revocations will be published publicly, which is a deterrent to operators concerned about reputation.

Overall, license holders in Finland must operate with a compliance-first mindset. The Finnish market might be smaller in revenue than, say, the UK or Germany, but the regulatory expectations are equally if not more stringent. Companies will likely allocate significant resources (legal, compliance officers, responsible gambling experts) to maintain good standing. The ones that succeed will be those that treat these obligations not just as hoops to jump through, but as part of their corporate ethos – which, given Finland's public and political environment, could even become a competitive advantage (e.g., marketing themselves as the safest and most responsible platform).

From an operational perspective, some international operators will need to adjust practices:

- Aggressive bonus and VIP strategies – out.
- Multi-channel marketing blitz – not possible; must focus on allowed channels and emphasize brand trust.
- Lean compliance – not possible; must invest in a Finnish compliance team.
- On the positive side, those who adapt will find Finnish players appreciate straightforward and safe offerings, and the absence of bonus wars might actually reduce their marketing spend needs.

The compliance load is heavy, but manageable, especially since many prospective licensees already comply with similar rules in other Nordics. It ensures that the new market, though competitive, will be well-regulated and that all participants uphold the values of the Finnish system (protecting the young and vulnerable, ensuring fairness, and contributing to society through taxes and adherence to law).

## Market Scenarios 2027–2030: High, Medium, and Low Channelization Outcomes

It's 2027, the market opens – what happens next? The success of Finland's licensing reform will be judged largely on two metrics: **channelization rate** (what share of gambling is on licensed platforms) and **problem gambling prevalence** (whether harm increases or decreases). Several scenarios could play out, influenced by how operators and regulators behave and external factors. We outline three scenarios – optimistic, base case, and pessimistic – and the leading indicators and KPIs (Key Performance Indicators) to watch for each.

**Scenario 1: High Channelization, Sustainable Market Growth (Optimistic)**

- **Summary:** The majority of Finnish online gamblers quickly transition to licensed sites in 2027–2028, driving channelization of online gambling above 95%. The number of licensed operators stabilizes at perhaps 10–15 strong brands, and intense competition is tempered by the strict regulations, leading to an equilibrium where no one engages in a race to the bottom. Harm prevention measures keep problem gambling rates stable or even slightly reduced despite more gambling activity being on-record.
- **Drivers:**
    - Major reputable operators (including Veikkaus's subsidiary, Paf, and 5–10 international firms) enter the market with attractive but responsible offerings. They leverage brand trust and localize well (Finnish language, customer support, popular local sports betting options, perhaps Finnish-themed casino games).
    - Marketing, while limited, is sufficient to inform players of the new legal options. Veikkaus's own competitive offering possibly leads the way in advertising "New games coming July 2027 under Finnish license" – raising awareness.
    - The removal of bonuses doesn't deter players significantly; Finnish players, who didn't see much bonus culture with Veikkaus, are not strongly habituated to promotions. They migrate for better odds and game variety, not for freebies.
    - Channelization gets a boost from the tax on unlicensed winnings: some high-rolling players previously on foreign sites realize they prefer tax-free winnings and better consumer protections, so they switch to licensed sites.
    - The regulator effectively monitors and clamps down on any grey operators that try to target Finland post-launch, issuing injunctions and coordinating with payment providers to make unlicensed play inconvenient.
    - The Government refrains from introducing new onerous restrictions (no sudden ad ban or drastic measure that would handicap licensed offerings vis-à-vis unlicensed).
- **Outcomes:** By 2028, **channelization** of online gambling (by GGR) reaches ~95%. Perhaps only a small hardcore of players (5% or less of volume) remain with offshore black market sites – likely those seeking extremely high stakes or niche products.
    - **Market size:** The total regulated market grows, as repatriated spend plus moderate growth from new activity adds to Veikkaus's base. Gross gambling revenue (GGR) from the licensed online

    market might hit, say, €1.3 billion by 2030 (up from maybe ~€1.1bn combined Veikkaus online + offshore in 2022). This growth is modest because of restrictions but steady.
    - **Tax revenue:** Government gambling tax income increases due to the higher tax rate and more revenue being declared. Lottery tax at 22% on a potentially larger GGR pool yields perhaps €280 million annually (versus ~€130m from the old 12% on Veikkaus's smaller base). Plus corporate taxes from operators contribute tens of millions more. The state is able to fund former beneficiaries and perhaps even allocate extra funds to treatment of gambling addiction, etc.
    - **Problem Gambling Rate:** Remains at ~4% or possibly declines slightly to 3.5%. Reasons: with all players now facing ID checks and limits, the most at-risk individuals are somewhat constrained or identified and helped. The self-exclusion register sees heavy use – tens of thousands of sign-ups – which is a positive sign of harm mitigation (though also something to watch if it keeps rising). There may be an uptick in problem gambling initially due to increased advertising and product availability, but by 2030, data shows stability or improvement.
    - **Competitive landscape:** In this scenario, no regulatory crunch or scandal has occurred. Operators comply well, with minimal violations. Finnish media doesn't report any surge in gambling problems or any predatory behavior by licensees. As a result, there's no public outcry demanding new clampdowns. The licensed companies find Finland to be a stable, if not huge, market with reliable returns due to the moderate competition (fewer rivals because not everyone entered given the constraints). Veikkaus's subsidiary holds a decent market share (maybe 30–40%), international operators collectively take the rest but no one dominates entirely. Paf possibly thrives as a niche safe-play operator, and some big names like Betsson or Unibet have solid bases.
    - **Policy adjustments:** The Government sees no need to implement blocking of unlicensed sites or further tighten marketing beyond what's there. It continues monitoring. Minor tweaks might occur (for example, raising an annual loss limit requirement if evidence suggests it could help, or adjusting taxes slightly if revenue targets way overshoot or undershoot).
- **Indicators to Watch:**
    - *Channelization KPI:* % of online GGR from licensed operators (target >90%). The regulator will likely estimate this from known operator revenues vs survey data on total gambling spend.
    - *Number of licenses issued vs active:* e.g., if 15 licenses are issued and all are active, good. If many drop out or fail, that might indicate issues, but in this optimistic scenario most will stay and some smaller ones might not even try due to high compliance bar (meaning those who did get licensed were prepared and committed).
    - *Self-exclusion statistics:* high uptake (which ironically is good in showing people are using RG tools), and stable or decreasing average duration of play per user.
    - *Offshore traffic measures:* Perhaps the FIU or telecom data might gauge hits to known gambling sites not licensed – ideally decreasing by 2028.
    - *Problem gambling help-seeking:* Watch calls to helplines and treatment uptake. Optimistically, these do not spike disproportionately; they might even go up slightly because more people are aware of help (due to licensees providing info), but severity of issues doesn't escalate.

**Scenario 2: Moderate Channelization, Regulatory Iteration (Base Case)**

- **Summary:** A middle-ground scenario where channelization improves but not dramatically; maybe around 85–90% of online gambling is captured by the licensed market by 2030. The market has more operators (including some smaller ones), competition is fierce, and while most players come to licensed sites, a non-negligible segment still plays on unlicensed platforms lured by bonuses or fewer restrictions.

Problem gambling might tick up marginally due to increased overall gambling activity and more advertising exposure, prompting the regulator to tighten some rules post-launch.

- **Drivers:**
  - All major expected players launch, but also a few less scrupulous ones get licenses and push the boundaries on marketing (maybe covert affiliate marketing or borderline content). This leads to some regulatory friction and fines in early years.
  - Many players try the new licensed sites, but a subset becomes frustrated by no bonuses, deposit limit requirements, and the more paternalistic approach. Some of these drift back to unlicensed sites that actively target them with enticing offers (especially if those sites find creative ways to reach Finnish gamblers, e.g., via social media influencers operating from abroad in Finnish).
  - The lack of IP blocking means those who want to access offshore sites can still easily do so. If payment blocks remain relatively easy to circumvent (via e-wallets, crypto, etc.), determined gamblers who chase better rewards or no limits will continue offshore. This might especially include high rollers who chafe under Finnish loss limits or source-of-funds checks.
  - The regulator is active but might initially be reactive: e.g., after seeing a wave of aggressive marketing in 2027 (maybe not from big companies but from smaller ones or affiliates ignoring rules), they impose additional guidance in 2028 to rein it in. Similarly, if problem gambling indicators rise to, say, 5%, the government could consider additional responsible gambling measures mid-stream.
- **Outcomes:**
  - **Channelization:** Reaches around 85% by 2028 and holds or slowly grows. That's an improvement from ~80% pre-reform, but still means ~15% of spend is offshore. Possibly some large global operators choose not to get a license (finding Finnish restrictions not worth it) and continue taking Finnish players without one. They won't advertise but rely on word-of-mouth or existing user base. If these include crypto-casino sites or high-bonus casinos, they may pull a niche but significant share of high-risk players.
  - **Market size:** The regulated market GGR grows but not to the full potential, because some spend remains unregulated and because heavy constraints (like no bonuses) somewhat dampen the growth. Perhaps total GGR in 2030 is €1.2bn instead of €1.3bn possible, as some players drop out or stay offshore. Veikkaus's own lottery business might decline a bit due to aging player base and no infusion of new players at the same rate (lottery is static or down). The new forms might cannibalize some lottery spend as younger people focus on sports betting or casino.
  - **Tax revenue:** Still increases versus pre-reform, but the government notices they aren't hitting the maximum potential due to that 15% leakage. They collect maybe €230–250m in GGR taxes annually. There's some political debate by 2029 about whether they need to do more to get that missing 15%.
  - **Problem Gambling Rate:** Could edge up slightly, say to **5%** moderate-risk/problem gamblers from 4.2%. This would partly be attributed to more gambling opportunities and marketing. For instance, if sports betting advertising leads more young men to bet, you might see an uptick in problems among that demographic. The central RG tools help some but perhaps aren't fully effective for those who seek intensity (they may simply use multiple sites up to each one's limits, or find unlicensed sites with no limits). Also, the initial novelty of new casinos might draw some who previously didn't gamble online.
  - The government responds to this by commissioning additional studies and possibly tightening regulations around high-risk games. For example, by 2029 they might decide to introduce a blanket loss limit per person across all sites (something originally left out). Or they could lower maximum monthly deposit thresholds if they find people circumventing intended limits by multi-operator play.

- **Competitive landscape:** More crowded in this scenario. Perhaps 20–25 licenses granted. Some smaller EU brands or Finnish startups attempt to enter but a few fail or withdraw after a year due to high compliance costs and inability to compete (especially if they counted on typical marketing which is banned). Consolidation might happen: some smaller licensees might sell their Finnish customer databases to bigger ones and exit. Veikkaus's licensed arm might hold around 25–30% share (not as high as it hoped, because many private brands gained loyalty). There might be a top 5 operators that together have 80% share, and a long tail of small ones scraping by.
- We might see more regulatory action: a couple of administrative fines in 2027/28 for marketing violations (e.g., maybe an operator was found to be indirectly using affiliate websites, resulting in a fine and public notice). Possibly one license suspension if an operator seriously breaches rules (for instance, not implementing self-exclusion properly).
- **Policy adjustments:** The government revisits the idea of blocking by 2029. Seeing 15% unlicensed play persist, they may prepare an amendment to empower DNS blocks if necessary. They might also look at the tax differential – e.g., if licensed operators complain that players still go to lower RTP but bonus-heavy sites, maybe Finland looks to allow some limited bonus or other incentives to make the legal market more appealing (or conversely, clamp down via blocking). The political climate will judge success on channelization and harm; moderate results likely prompt a tune-up of the policy. If problem gambling has risen, even slightly, opposition parties could push for heavier restrictions on marketing (maybe banning TV ads in daytime, etc.). So there could be a mid-course correction tightening some screws in 2029.

- **Indicators to Watch:**
  - *Channelization gap:* If surveys or payment data show >10% of online gambling money still outflowing, that's a red flag for medium success. By year 2 (2029), we'd expect that gap to shrink if things are working.
  - *Number of self-excluded vs total gamblers:* If problem gambling rises, likely self-exclusion numbers rise faster than overall participation. If helpline calls and counseling waitlists lengthen, it's a warning sign.
  - *Enforcement actions:* in this scenario, you'll see several enforcement press releases from the Authority (listing fines or warnings). Track their frequency. If after initial flurry it stabilizes, good. If they keep happening, suggests ongoing compliance issues.
  - *Operator churn:* Are any licensees surrendering their license because they can't operate profitably under conditions? If we see drop-outs, that might indicate oversaturation or that the rules make it untenable for smaller players. If only big players remain, channelization may hold but competition suffers.
  - *Political rhetoric:* Check government statements in yearly reports. If they start talking about "needing to consider IP blocks or further harm measures," that signals this base scenario where initial results are mixed.

**Scenario 3: Low Channelization, Market Turbulence (Pessimistic)**

- **Summary:** Despite the new system, a significant portion of Finnish gambling continues on unlicensed sites (channelization maybe only reaches ~70%), and the licensed market struggles with profitability and compliance issues. Problem gambling worsens notably, causing political backlash and possible partial reversal or significant tightening of the liberalization by 2030. Essentially, the reform fails to meet its goals fully, requiring rethinking.
- **Drivers:**

- Possibly the tax rate and heavy restrictions deter many major companies from joining. Perhaps only a few international brands apply for licenses, leaving the licensed market less competitive or innovative. Many offshore operators decide to just remain without a license but target Finns quietly, reasoning that Finnish enforcement lacks teeth without blocking.
  - Those that do get licensed find they can't attract enough players without marketing tools like bonuses or affiliates. Players check them out but find the offerings not enticing enough versus what they can get on VPN or via creative payment means on foreign sites that still cater to Finns (with bonuses, VIP perks, etc.).
  - If enforcement is weak – say the Authority is slow to identify or act against black-market ads on social media or doesn't coordinate well on payment blocks – unlicensed sites might flourish by word-of-mouth and targeted online campaigns (perhaps in Finnish but hosted outside Finnish jurisdiction).
  - A scandal or major misstep could occur: e.g., a data breach at a licensed operator undermines trust, or a marketing campaign inadvertently targets minors, causing public uproar. Or problem gambling stories flood media (like people losing money across multiple sites despite limits – highlighting loopholes).
  - The combination of moderate supply in the legal market and persistent supply in the illegal market leads to only partial migration. Also, perhaps the overall economy or other factors drive people to seek better returns (offshore bookies could offer better odds since they don't pay 22% tax, theoretically they could use that margin to entice punters with higher payouts).
- **Outcomes:**
  - **Channelization:** Stagnates around 70%. Maybe Veikkaus's loyal base stays (lotteries, etc.), but many online casino enthusiasts stick with curacao-licensed sites that still operate (since the draw of huge bonuses and no limits is strong for them). Some sports bettors might use VPNs to bet with international exchanges or operators not in Finland to get better odds, especially high-stakes bettors avoiding detection or betting taxes (though Finland doesn't tax player wins on EEA licensed or not? Actually now they will if unlicensed EEA – if enforced, but players might not self-report anyway).
  - **Licensed market size:** Could even shrink compared to pre-2027 Veikkaus online revenue, if players actively avoid the licensed environment. If only a couple of private operators joined, their combined revenue plus Veikkaus's might be less than Veikkaus alone had (due to lost players to offshore and maybe less intense play because of limits). So maybe instead of growing to €1.2bn GGR, the licensed market is €800m. Meanwhile, another €300m+ flows abroad untaxed.
  - **Tax revenue:** The government is disappointed, seeing maybe only a minor increase in tax receipts. Worse, if problem gambling up, they might be spending more on healthcare costs and such. If Veikkaus's lottery sales fall due to general decline in gambling interest or trust, that also hurts proceeds (lottery remains a huge chunk of funding for charities).
  - **Problem Gambling Rate:** Could rise significantly if things go awry – e.g., up to **6% or more** experiencing moderate to severe problems by 2030. This could happen if new online products got more people hooked (especially younger gamblers in sports betting or online slots), while the protective measures turned out insufficient or easily bypassed (like people splitting play among sites, or turning to unregulated ones with no safeguards). The harm increase might also result if advertising and easy access led to more first-time gamblers developing issues.
  - **Public / Political Reaction:** A moral panic could emerge if media highlight cases of gambling addiction or youth gambling via unlicensed apps on phones. In Finland's consensus-driven politics, such outcomes would likely prompt swift corrective action. Possibly a new government in 2029 (if different from 2023 one) might even consider re-monopolizing parts of online

gambling if they deem the experiment a failure, or implementing draconian measures (like full prohibition of non-state sites through aggressive blocking and criminalizing players who use them, etc., which are extreme and unlikely given EU context, but political pressure can mount).

- At minimum, Finland would implement IP blocking and stronger payment blocks by 2028 in this scenario, because seeing only ~70% legal, they would feel they have no choice. They may also impose far stricter marketing bans (maybe ban all gambling ads outside operators' own websites if they feel advertising triggered harm). They could add a common loss limit across all sites – forcing a system where all licensed operators share data on high-risk players (like a centralized data hub to track net spending per person).
- **Competitive landscape:** A few licensed operators might exit early, finding it unprofitable (especially if government responds by, say, raising tax even more in frustration or adding burdens). That leaves perhaps Veikkaus's subsidiary and one or two international operators holding most of licensed market – effectively quasi-oligopoly or even creeping back to monopoly if others leave. Meanwhile, unlicensed sites from abroad serve an underground market.
- In a dark twist, Finnish consumers who want to gamble might increasingly choose unlicensed options for their freedom and perks, further eroding the licensed base – a vicious cycle. This is basically a failure scenario reminiscent of, say, France's early online market (where high tax and limited products led players to stay offshore).

- **Indicators to Watch:**
  - *License uptake:* If by late 2026 only, say, 3–5 companies have applied or qualified for licenses (when we expected maybe 10+), that's an early sign of trouble – indicating many staying out.
  - *Post-launch player migration:* Within the first 6 months of 2027 launch, the regulator and Veikkaus will have a sense via revenue numbers if players are coming. If Veikkaus online's numbers drop significantly without equivalent uptake on new sites (implying players went offshore or reduced play), that spells low channelization.
  - *Visible offshore marketing:* If by 2028 you still easily find Finnish-targeted gambling content online (like Finnish-language gambling comparison sites promoting unlicensed operators, or influencers pushing VPN gambling), that means enforcement hasn't cleaned it up. This will correlate with low channelization.
  - *Problem gambling metrics:* any jump in treatment demand, more people on exclusion (especially multiple self-exclusions which implies people are struggling with multiple accounts), or an increase in gambling-related financial problems (e.g., defaults, which some studies track) would be a warning.
  - *Political discourse:* If newspapers in 2028 are running headlines like "Gambling reform backfires as addiction cases rise," and opposition calls for emergency measures, we are in scenario 3 territory.

In that scenario, mid-course corrections would likely be implemented: e.g., immediate introduction of IP blocks (which might then push scenario 3 up to scenario 2 if successful). Also possibly reduction of tax or loosening some rules to entice more operators into the legal fold (the opposite approach – e.g., allow welcome bonuses after all, or cut tax to 15% – if they determine the legal market is not attractive enough). The government would have tough choices balancing making the legal market more appealing vs. adding even more restrictions to curb harm. They might attempt both (as paradoxical as that is, e.g., introduce blocking *and* cut tax, so squeezing offshore while boosting legal).

**Scenario Dashboard (2027–2030 KPIs):**

To concisely compare, here is a **dashboard of key KPIs** under each scenario by 2030:

| KPI (2030 or peak) | Scenario 1 (High) | Scenario 2 (Medium) | Scenario 3 (Low) |
|---|---|---|---|
| Online Channelization Rate | ~95% of GGR on licensed | ~85% on licensed | ~70% on licensed |
| # of Licensed B2C Operators Active | 10–15 (stable) | 20 issued, ~15 active (some consolidation) | <10 (some exits or few entrants) |
| Annual Licensed Online GGR | ~€1.3B (growing modestly) | ~€1.1–1.2B (flat or slight growth) | ~€0.8–0.9B (declining or stagnating) |
| Govt. Gambling Tax Revenue (lottery tax) | €270–300M/year | €220–250M/year | €150–180M/year (below expectations) |
| Problem Gambling Prevalence (past-year mod+ severe) | 3–4% (steady/slight down) | ~5% (slight up) | 6% or higher (significantly up) |
| Public/Political Sentiment | Generally positive or neutral; reform seen as working, no major controversy. | Mixed feelings; some criticism from health groups; minor adjustments made. | Negative; gambling seen as out of control; calls for reform or reversal. |
| Regulatory Actions (Post-launch) | Few fines; mostly routine oversight; high compliance. | Some fines, 1-2 major sanctions; new guidelines issued mid-way. | Multiple fines/sanctions; emergency new laws (blocking, stricter limits) introduced. |
| Unlicensed Market Traits | Small number of operators, hard to access (maybe via Tor/crypto only). | Some operators still quietly serve Finns; players need moderate effort to use (VPN or certain payment). | Thriving parallel market; sites easily reachable, many players use regularly. |
| Notable Policy Changes | None major; keep watching and fine-tuning RG tools. | Introduced IP blocking or shared loss database by 2029; possibly slight rule adjustments. | Overhaul: IP blocking enacted; either rules loosened to entice players or drastically tightened to curb harms (two prongs possibly). Could even consider reverting online slots to monopoly if deemed necessary. |

*(This dashboard is hypothetical and for illustration – actual outcomes will vary. The ranges show how key metrics might differ.)*

The actual outcome for Finland will likely lie between scenario 1 and 2 – Finland has the advantage of learning from others (e.g., Sweden's high channelization ~90% but also a rise in problem gambling initially). The strict bonus ban is a double-edged sword: it's great for harm prevention but can hurt channelization if offshore sites still lure bonus-chasers. The government's willingness to adjust – either by introducing blocking or by modifying onerous rules – will be critical if scenario 2 or 3 signs appear. They have signaled a pragmatic approach: monitor and change as needed.

One particular leading indicator in early 2028 will be **license applications for B2B suppliers**. If many game providers apply for B2B licenses, it means they see a robust B2C market to sell to (good sign). If few do, that might mean either not many B2C or they're unsure about Finland's attractiveness. Also watch if any licensee surrenders their license voluntarily by 2028 – that's usually a sign the market conditions weren't viable for them.

In conclusion, while this primer equips stakeholders with knowledge, the real test begins post-2027. The interplay between regulatory stringency and market attractiveness will determine if Finland can achieve that coveted balance: a highly channeled market with no increase in gambling harm. The scenarios help us prepare for different trajectories and plan mitigations (like the importance of swift enforcement to push towards Scenario 1, or having backup measures like blocking in pocket if needed to avoid Scenario 3).

Finland's authorities have shown commitment to intervene if metrics deviate, so even a slide towards Scenario 3 would likely trigger course-corrections hopefully preventing the worst-case outcome. In any case, continuous measurement of the KPIs described should be part of the regulator's agenda from day one (and indeed Parliament requires such monitoring

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- Affpapa News. *"Veikkaus adjusts leadership during Finland's gambling reform."* (9 Dec 2025) – Industry news noting Veikkaus' Deputy CEO repositioned as the reform neared finalization, and parliamentary committee debates (opposition suggested raising age to 20, banning bonuses, shared limits – which were not in final act).
- SBC News / EGR Intel (various, Dec 2025 – Jan 2026) – Reports on the passage of the law and industry reaction, confirming President Stubb's ratification on 16 Jan 2026 and the planned market opening July 2027.

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- Ministry of Finance (Valtiovarainministeriö). *Project to implement the gambling system reform.* (2025–2026) – Outlines the establishment of the new Supervisory Agency and its tasks, as well as the EU notification outcomes (Malta's opinion)