



**WoTA Submission to National Treasury Discussion Paper on the case for a national online gambling Tax**

**29<sup>th</sup> January 2026**

**Members of the World Tote Association welcomed the opportunity to respond to this Discussion Paper in order to share the views of the members of the World Tote Association (WoTA).**

**As a global network of pool betting operators, WoTA is a trusted voice in the debate on gambling regulation which is being undertaken by many governments and regulators around the world.**

**The World Tote Association has previously participated in similar consultations, the most recent one being the UK's Consultation on the Tax Treatment of Remote Gambling which concluded in November 2025. The UK Government did not proceed with introducing a single tax on remote betting and gaming but is basing fiscal levels on a per product basis with pool betting set to remain on the lowest level for remote gambling of 15% Gross Profits Tax.**

**World Tote Association's position on the proposals in the Discussion Paper are as follows:**

- WoTA advocates for a fair and sustainable rate of tax being applied to pool betting (sometimes called Tote betting) to ensure that Tote betting operators can continue to make an active and substantial contribution to society, especially through financial support of a successful horseracing sector.
- WoTA believes pool betting should be differentiated from other forms of remote gambling in relation to regulation and fiscal policy.
- WoTA does not support an increase in remote gambling tax as it will place extra fiscal burdens on licensed operators. This makes them less able to compete with operators who choose not to be licensed or pay tax which in turn drives consumers into the black market and towards illegal betting offers.

In 2024, WoTA published a report which demonstrated the key role pool betting plays in ensuring a sustainable and successful future for horseracing around the globe.

The report, entitled **Tote Betting and Horse Racing: Tax, Responsible Gambling, and Contributions to Society** makes a clear case for tote betting to be differentiated from other forms of gambling.

The report's author, Martin Purbrick, has completed extensive research from 77 jurisdictions. The report makes the following key points:

- Tote betting is very different from other forms of gambling. It makes a significant contribution to society, poses a lower risk to consumers, and should be treated differently from other gambling types.
- Different types of gambling are linked to varying levels of gambling-related harm, with some forms posing a higher risk than others. Because gambling activities differ widely, their effects on consumers also vary.
- Tote betting is inherently different from fixed odds betting. Profits for a tote operator are not based on customers losing but on a pool of betting from which customers share the winnings, and the tote operator takes only a commission. Tote betting also operates at a slower pace than many other gambling activities, as players must wait for the event to conclude before knowing the result. This contrasts with other forms of gambling where outcomes, and therefore wins or losses, are determined instantly.
- Tote betting is fundamental to the economic structure of horse racing around the world. As a sport and leisure activity, horse racing has a major positive economic impact that generates several hundred billion dollars in gross domestic product (GDP) and involves the employment of over two million people around the world.
- **Tote betting suffers from a structural tax problem in most countries, being taxed at the same level as other forms of gambling that pose a higher risk to consumers and make a smaller contribution to horse racing and society as a whole.**
- Increasing the taxation rate on betting, especially tote betting, does not inversely reduce problem gambling, as consumers are driven to illegal betting markets, where there are no responsible gambling measures in place.
- **A higher tax burden on tote betting compared to taxes on other games of chance—such as online casino products—puts significant strain on tote operators, reducing their competitiveness and their ability to deliver sustainable value to customers.** When take-out rates rise, customers receive a smaller share of winnings, which in turn weakens the position of legal operators relative to illegal betting channels. As a result, tax policy can become a key factor driving bettors toward unregulated markets, making it essential that tax levels strike a commercially reasonable balance that allows the legal industry to compete effectively.
- Due to relatively high levels of tax in some countries, tote betting is prevented from competing effectively against online illegal betting operators as well as offshore bookmakers who pay no tax to governments and make no financial contribution to horse racing.

The report concludes "*If horse racing is to survive as a sport, it is essential that tote betting be differentiated from other forms of gambling in national policies.*"

*"In the case of pool betting, the tax rate should be lower to reflect lower harm levels and the sector's contribution to horse racing and society as a whole."*

In certain jurisdictions, including France, Singapore, Norway, Canada and Hong Kong, and until relatively recently Australia and US, pool betting was the only form of regulated betting permissible on horseracing.

Horseracing governing bodies and stakeholders around the world recognise the benefits of the

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pool betting model as the best tool to preserve, develop and fund their industry. Due to the fundamental differences in the betting model, and its role in supporting horseracing, governments and regulators worldwide often differentiate pool betting from fixed odds betting in terms of risk evaluation, and therefore regulation and taxation.

**The proposal to introduce a unified national online gambling tax could have unintended consequences.**

**Crucially, WoTA would like to see the National Treasury recognise the contribution of pool betting makes to horse racing, and society as a whole, and the unique manner in which it operates (compared to other forms of betting) when setting fiscal policy in South Africa.**

## **About the World Tote Association**

WoTA brings together pool betting operators (sometimes referred to as parimutuel or Tote betting) from around the world to work together to promote and support the horseracing industry in a socially responsible and sustainable manner.

Pool betting represents more than 70% of the total legal horserace betting worldwide.

WoTA has 23 Tote operators as members representing a turnover of more than €30 billion and 10 Associate members (technology and services providers and racing organisers). Every member of WoTA is a significant organisation within its own country but, in coming together to collaborate, members are aiming to ensure they can collectively play a greater economic and social role in a sustainable horseracing industry around the world. This is in the DNA of every WoTA member and underpins the ethos and activity of the organisation.

Under a strategy set by the WoTA Board, the organisation has Working Groups undertaking activity on three important areas of work which lie at the heart of pool betting:

1. **Greater commingling of pools between operators.** This is being achieved through identifying and removing barriers, data sharing where appropriate and furthering mutually beneficial technology and betting protocols to ensure appealing pool betting opportunities can be created for customers.
2. **Improving integrity and standards.** This is being achieved by implementing industry-leading responsible gambling and AML procedures, sharing best practice and working constructively with national governments and regulators ensuring a better understanding of pool betting.
3. **Developing the betting experience for the next generation of bettors and racing fans.** This is being achieved through innovation across technology and customer experience.

WoTA members have responsibilities to customers, shareholders, regulators, national governments, and society as a whole. Beyond legal obligations, members are committed to maintaining a balance between their commercial objectives and social responsibility, including the promotion of responsible gambling and funding for horseracing.

Pool betting offers markets with no risk taken by the operator giving rise to a wide range of bet types that cannot be matched by fixed odds operators, commonly resulting in bets offering big dividends from small amounts bet by customers.

The sustainability of horse racing in many countries is dependent upon levies on bets that are paid to participants in horseracing. WoTA members provide a positive return to society through these levies in support of the sustainability of racing, the welfare of horses, and employment for over two million people involved in horseracing around the world.

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