

Virtual Sports and Sports Betting

Research

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Introduction

Virtual reality refers to computer simulated three-dimensional interactive representation that allows almost total sensory immersion into an artificial environment (Gainsbury & Blaszczynski, 2017). The term was first coined by Lanier, in 1987 and is now increasingly applied across a host of disciplines and activities: entertainment, military, architecture, business, and health¹.

Virtual sports are computer generated games, where the development and outcome are decided by an algorithm, using random number generators (RNG). Programming the parameters of the algorithms depends on the skills of each competitor or team of competitors (for example teams are not equally standardized, which is the case in real life as well). The factor of randomness is also added; therefore, prediction of the outcome is difficult.



¹ "History Of Virtual Reality," Virtual Reality Society, December 25, 2015, <http://www.vrs.org.uk/virtualreality/history.html>.

[REDACTED]

The aim of this study is to offer an overview of the development of Virtual Sports, their application in different states and the study of economic data and opportunities Virtual Sports may bring forth. In addition, we also review policies applied internationally in order to allow virtual reality technology implement innovative and effective strategies for minimizing potential harm. For these purposes, a literature review on sports betting and other relevant matters is presented, along with legal and financial data from secondary sources, suggesting that there exist solid and valuable indications for the economic and entertainment value of Virtual Sports for all interested parties, governments included.

W

hat exactly are Virtual Sports?

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W

hat is not considered Virtual Sports

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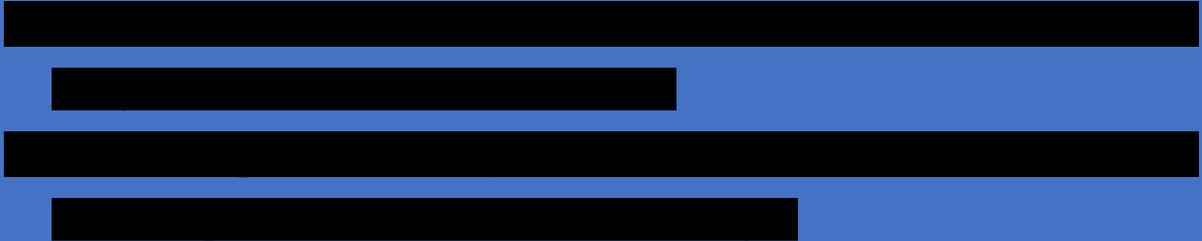
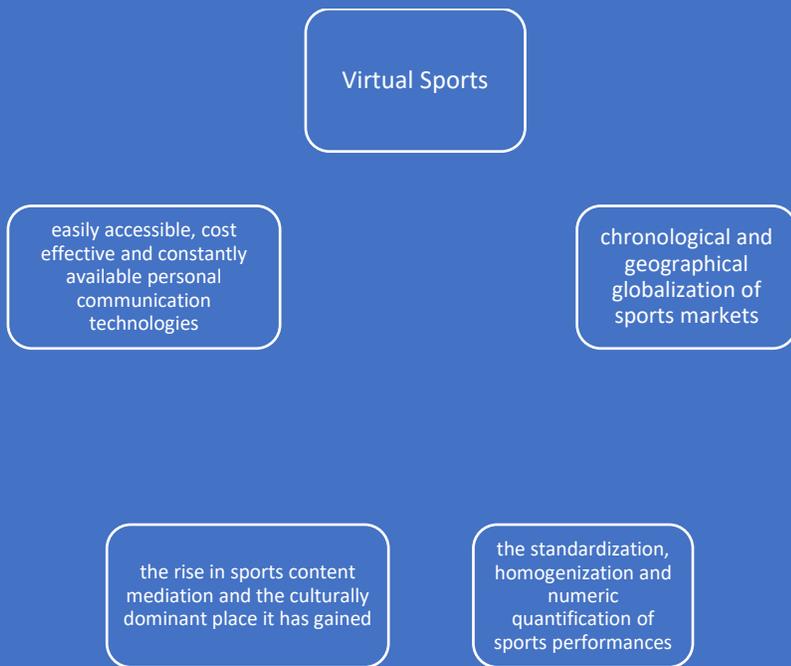


Diagram 1



[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

The interrelation of virtual sports with actual real-life sports has reached to the point where mathematical programming is used as a tool for the preparation of virtual coaches (Bonomo et al., 2014).

² [REDACTED]

[REDACTED]

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Adaptation and modernization with revenue growth

Historically, during the European Council Committee of the 11th and 12th of December, 1992 in Edenborough, Member States of the European Union agreed not to pursue harmonization of gambling activities at a European level. As a result, discussion was mainly transferred to the European Court of Justice. The Court has been asked to adjudge for more than 40 cases, while cases are still being referred on a regular basis by national Courts from all over the EU (Vlaemminck et al, 2019). As a consequence of a European Court of Justice case-law⁴, betting services are regulated by Member States which are free to define the aims of their policies in the field of gambling.

⁴ Judgment of the Court of 8 September 2009 Liga Portuguesa de Futebol Profissional and Bwin International, C-42/07, EU:C:2009:519.

COUNTRY	Authority for Digital Form	Authority for Land Base Form
DENMARK	The Danish Gambling Authority	
GREECE	Hellenic Gaming Commision	Hellenic Gaming Commision
ITALY	Agenzia Delle Dogane E Dei	Agenzia Delle Dogane E Dei
MALTA	The Malta Gaming Authority	The Malta Gaming Authority
NETHERLANDS		Gambling Authority
SWEDEN	Sweedish Gaming Authority	
UNITED KINGDOM/NOVELTY OR SIMULATED EVENTS	The Gambling Commision of Great Britain	The Gambling Commision of Great Britain

Table I. Virtual Sports are regulated in many European countries



Many EU Member States, US states and countries from almost every continent have regulated the Virtual Sports market, at all levels. Table 1 showcases a number of countries which have licensed Virtual Sports betting services. Some of these countries have had a long tradition in the field while others have now developed a series of protective methods to avoid potential harm such as problem and pathological gambling. The protective measures

[REDACTED]

[REDACTED]

[REDACTED]

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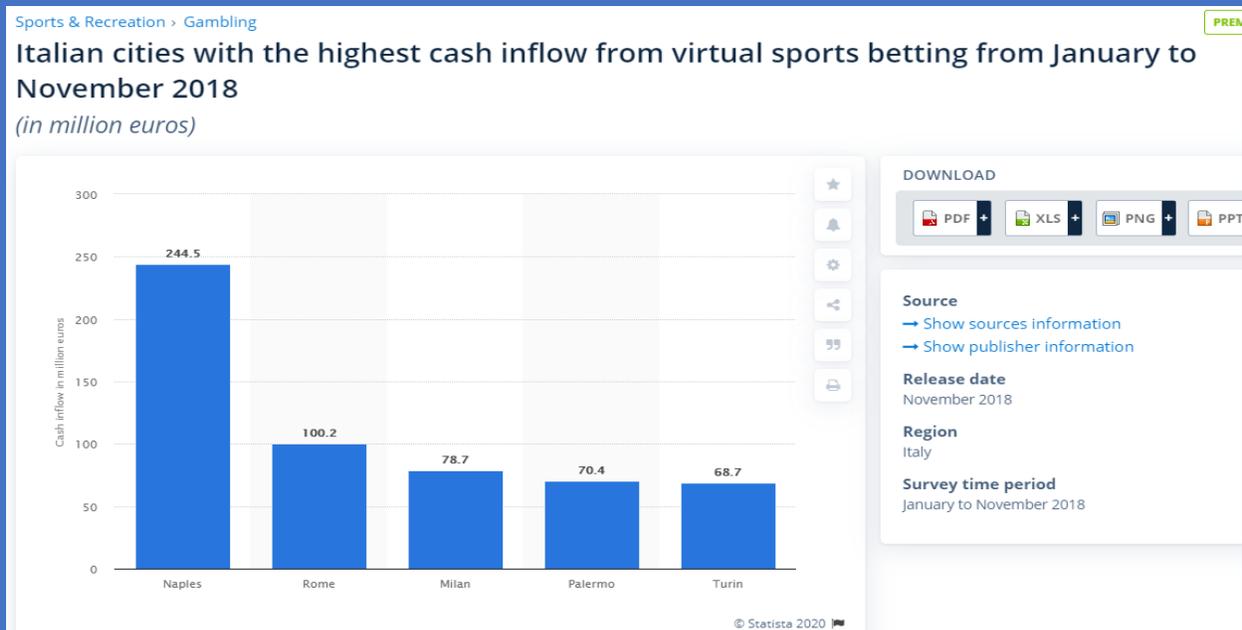
(iv) preventing criminal activities related to betting.

[REDACTED]

[REDACTED]



Diagram 2. Cash inflow from the Italian Visual Sports market. Source: STATISTA



Prevention

[REDACTED]

[REDACTED]

[REDACTED]

The environment and potential benefits from regulating Virtual Sports

[Redacted text block]

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[REDACTED]

[REDACTED]

Change in the Cypriot landscape?

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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