

Combating Illegal Gambling in Kazakhstan: A Comprehensive Assessment of Regulatory and Socio-Economic Outcomes

Rustam ABDRAKHMANOV

<https://orcid.org/0009-0005-0629-6601>

Law Institute of the Kyrgyz National University named after J. Balasagyn
Astana, Republic of Kazakhstan
abdrakhmanov@mail.ru

Kunduz SABYROVA

<https://orcid.org/0009-0001-1136-4681>

Law Institute of the Kyrgyz National University named after J. Balasagyn
Bishkek, Republic of Kyrgyzstan
sabyrova@mail.ru

Nurlan AIKUMBЕКOV

<https://orcid.org/0009-0001-0194-4113>

Adilet Higher School of Law, Caspian Public University, Almaty, Republic of Kazakhstan
mak2050@protonmail.com

Gulmira NURTAYEVA

<https://orcid.org/0009-0003-3204-5916>

Adilet Higher School of Law, Caspian Public University, Almaty, Republic of Kazakhstan
ngl_81@mail.ru

Alisher KOICHIEV

<https://orcid.org/0009-0008-9650-7020>

National Academy of Sciences of the Kyrgyz Republic
under the President of the Kyrgyz Republic, Bishkek, Republic of Kyrgyzstan
Alisher.koichiev@yandex.com

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Abstract

The aim of this study is to analyse international regulatory approaches to combating illegal gambling and to assess the regulatory, economic, and social outcomes of anti-illegal gambling policy in Kazakhstan. The study applies comparative analysis, economic and statistical analysis, structural and dynamic analysis, relative indicator analysis, index methods, Min–Max normalization, and expert interpretation. An integrated index was developed to monitor the implementation of government policy

based on indicators reflecting gambling participation, treatment and rehabilitation coverage, blocking of illegal online resources, and registered criminal offenses.

The results indicate that Kazakhstan has experienced an expansion of the regulated gambling market, a decline in registered criminal cases related to illegal gambling, and broader implementation of preventive regulatory measures, including self-exclusion mechanisms and restrictions for financially vulnerable groups. The proposed integrated index demonstrates a positive trajectory of the policy indicators during the study period and provides a framework for monitoring the implementation of the Government Comprehensive Plan to Combat Illegal Gambling and Ludomania. Since the index combines observed data with official policy targets, projected values should be interpreted as scenario-based policy benchmarks rather than independently verified outcomes.

The study concludes that strengthening digital monitoring, expanding preventive mechanisms, improving financial monitoring, and enhancing international cooperation may further support the implementation of anti-illegal gambling policy. The proposed integrated index can serve as an analytical tool for monitoring regulatory performance and evaluating the progress of public policy in this field.

Keywords: illegal gambling, gambling regulation, digital monitoring, law enforcement, shadow economy.

JEL Classification: K42; D61; H50; L83; H26.

Introduction

With the digitalization of the economy and the rapid development of online platforms, the gambling industry is undergoing significant transformation, expanding beyond traditional forms of gambling. The spread of internet technologies, electronic payment systems, mobile applications, and cross-border financial services has considerably increased access to gambling while simultaneously creating new challenges for public regulation. One of the most significant challenges is the growth of illegal gambling activities conducted through unlicensed online platforms, cryptocurrency channels, shadow payment services, and international networks operating outside national legal frameworks.

Illegal gambling has far-reaching economic and social consequences. In addition to reducing potential tax revenues, it contributes to the expansion of the shadow economy, facilitates money laundering and other financial crimes, and increases the social risks associated with gambling addiction. These challenges require governments to strengthen regulatory frameworks, improve financial monitoring, enhance international cooperation, and develop preventive mechanisms capable of addressing the evolving nature of illegal gambling in the digital environment. Consequently, there is a growing need to evaluate the regulatory, economic, and social outcomes of anti-illegal gambling policies and to develop analytical tools for monitoring their implementation.

1. Literature Review

Research on combating illegal gambling has become increasingly important in the context of the digitalization of the economy, the development of cross-border financial technologies, and the expansion of online gambling platforms. The contemporary illegal gambling market is characterized by a high degree of adaptability to changes in the regulatory environment through the use of electronic payment systems, cryptocurrencies, anonymous money transfer channels, and international online platforms, which substantially complicate government oversight and law enforcement activities.

Financial crimes involve the unlawful use of financial resources, the manipulation of funds and assets, and the evasion of legal obligations for private gain. Such activities undermine economic stability, weaken financial systems, and reduce public trust in legal and regulatory institutions.

Addressing illegal gambling requires an integrated public policy approach in which legal, financial, technological, and institutional instruments operate in a coordinated manner. Combating financial crime extends beyond national enforcement efforts and depends on international cooperation, information exchange, effective regulatory frameworks, and the coordinated implementation of preventive and supervisory measures.

Bisengali et al. (2019) examine the economic consequences of money laundering and demonstrate that this phenomenon has a systemic impact on national economies. The authors identify several key dimensions through which money laundering affects economic development, including financial stability, tax revenues, market functioning, investment conditions, and the integrity of financial institutions. These findings provide an important theoretical basis for understanding the broader economic context in which illegal gambling operates and justify the need for comprehensive regulatory approaches to combating illicit financial activities (Table 1).

Table 1: Economic Impacts and Main Channels of Money Laundering

No.	Area	Economic Implications
1	Economic Stability	Money laundering can disrupt the financial system, distort competition, increase questionable financial transactions, discourage investment in legitimate sectors, and undermine sustainable economic development.
2	Tax Revenue	Concealment of illegal income reduces tax revenues and limits the government's capacity to finance socioeconomic programmes.
3	Market Distortion	Criminal proceeds used for large-scale transactions and asset purchases can distort prices and contribute to asset-price inflation, particularly in sectors such as real estate and luxury goods.
4	Economic Inequality	Money laundering facilitates the accumulation of illicit wealth, potentially increasing economic inequality and weakening trust in the economic system.
5	Investment Climate	Weak anti-money-laundering enforcement can increase financial and reputational risks, reducing a country's attractiveness to foreign investors.
6	Money-Laundering Channels	Financial crimes may involve complex schemes, including offshore companies, cryptocurrency transactions, fraudulent investment schemes, and shell companies.

Source: compiled by the authors

The economic consequences of money laundering are systemic in nature, affecting multiple sectors of the economy. Addressing this phenomenon requires a comprehensive approach combining legal, institutional, technological, and financial measures. International cooperation and the implementation of digital tools for monitoring and analysing financial transactions play a central role in strengthening anti-money laundering (AML) systems. The implementation of international standards in Kazakhstan's legislation is discussed by Kanatov and Akhmetov (2018). The author conducted a criminological analysis of the relevant legislation in the field of "dirty money laundering", and also proposed optimal legal mechanisms for the effective application of legislation on countering the financing of terrorism. A detailed analysis (monitoring) of the Law "On Countering the Legalization (Laundering) of Proceeds from Crime and the Financing of Terrorism" revealed some shortcomings: gaps, collisions, indiscriminacy and distortion of potential norms in order to minimize the legal consequences of their application.

In this context, the Republic of Kazakhstan strives to adapt its legislation to the recommendations of international organizations, such as Financial Action Task Force on Money Laundering (FATF) and Eurasian Group on Combating Money Laundering (EAG).

In 2020, Kazakhstan joined the EAG, allowing it to enhance cooperation with other countries in the area of information exchange and best practices. In 2021, amendments were made to the Law on Combating the Laundering of Proceeds from Crime, strengthening the obligations of financial institutions to identify clients and monitor their transactions (<https://eurasiangroup.org/en/kazakhstan-adopts-aml-cft-legislation>).

Kaliyev and Nurmakhanova (2020) emphasize that an effective AML/CFT system in Kazakhstan requires coordinated interaction between banks, compliance units, financial intelligence authorities, and international organizations to identify and prevent money laundering. Many authors emphasize the central role of banks and other financial institutions in preventing money laundering through customer due diligence, transaction monitoring, and financial reporting mechanisms. In Kazakhstan, these functions are becoming increasingly important as the national AML/CFT system continues to evolve in line with international standards. Kazbayeva and Ismagulov (2022) evaluate the effectiveness of Kazakhstan's anti-money laundering and counter-terrorist financing legislation, emphasizing the need to harmonize national legal provisions with FATF standards and strengthen institutional mechanisms of financial monitoring.

Many studies emphasize the central role of banks and other financial institutions in preventing money laundering through customer due diligence, transaction monitoring, and financial reporting mechanisms. A comprehensive review by Al-Suwaidi and Nobanee (2021) shows that AML/CFT research has increasingly focused on regulatory compliance, financial monitoring, institutional cooperation, and the effectiveness of preventive mechanisms, while also identifying the need for further research on emerging technologies and evolving financial risks. These issues are particularly relevant to illegal gambling, where financial flows may involve cross-border transactions, digital payment systems, and other channels that complicate regulatory oversight. Goecks et al. (2022) further demonstrate the growing importance of quantitative and advanced analytical methods for detecting suspicious financial transactions.

Unger (2007) provides a wide analysis of money laundering at the international level by reviewing legal approaches, developing economic models for estimating its scale, and assessing its effects on crime and economic growth. Savona and Riccardi (2015) analyse the financial mechanisms used by organized crime groups to launder illicit proceeds and argue that understanding these financial flows is essential for designing regulatory and enforcement strategies targeting illegal markets, including illegal gambling. Organized crime groups (OCGs) launder proceeds through a variety of strategies and methods that conceal the illegal origin of funds and integrate them into the legitimate economy. Reuter (2013) analyses the economic mechanisms of money laundering, demonstrating how illicit proceeds are concealed and integrated into the legitimate financial system. The study highlights the importance of understanding illicit financial flows for developing effective regulatory and law-enforcement strategies against organized financial crime.

Recent research shows that the illegal gambling market is a complex and difficult-to-measure segment of the shadow economy. Chopin et al. (2024) note that the main problem is the lack of a unified methodology for assessing the illegal gambling market: different countries use different legal definitions, data sources, and approaches to measuring the scale of illegal

activity. The authors propose combining bottom-up and top-down assessment methods, since only a combined approach allows us to get closer to the real size of the illegal market.

Quantifying this market is challenging due to a number of methodological challenges. One of the main obstacles is collecting reliable data, as illegal gambling activities often bypass traditional data collection systems. Furthermore, the illegal betting market encompasses a wide range of gambling activities, including sports betting, casino games, and underground lotteries, among others, requiring estimation methods that account for this diversity to improve accuracy (WLA Illegal Lotteries and Betting Committee, 2022). Furthermore, there is significant regional variability due to differences in gambling laws and cultural norms across countries and even within individual countries.

The technological development of online gambling and betting platforms has also transformed the way gambling activities are managed and monitored. Popîrlan et al. (2017) demonstrate the potential of intelligent-agent technologies in online betting management systems, particularly for automating monitoring and decision-making processes. Such technological developments illustrate the increasing sophistication of digital gambling environments and, at the same time, highlight the importance of adaptive technological tools for regulatory monitoring and oversight. The continued expansion of online gambling platforms has also increased opportunities for illegal gambling (Choi, 2022).

Consequently, assessing the scale and characteristics of illegal gambling has become increasingly challenging because of the rapid expansion of cross-border online platforms and the inherent limitations of regulatory monitoring in digital environments. These methodological challenges highlight the importance of developing analytical frameworks that integrate regulatory, social, and law-enforcement indicators when monitoring anti-illegal gambling policy.

Egerer and Marionneau (2024) identify the blocking of illegal offshore gambling websites as one of the most widely used regulatory instruments. Their review shows that the implementation of website-blocking measures depends largely on the continuous updating of blocking lists and technological capabilities. The authors also emphasize that empirical evidence regarding the practical outcomes of these measures remains limited, highlighting the need for further evaluation of their regulatory performance.

Recent studies have increasingly viewed illegal gambling operations not only as a legal problem but also as a source of economic and social losses. Hautamäki et al. (2025) demonstrates that the social costs of gambling extend far beyond direct law-enforcement expenditures and include treatment-related costs, financial counselling, health and social care costs, unemployment, family breakdown, and other intangible harms. These findings demonstrate that the consequences of gambling extend beyond legal enforcement and include substantial health, social, and financial impacts. This highlights the importance of considering the broader societal consequences of gambling when assessing public policy responses to illegal gambling.

Badji et al. (2023), using Australian evidence, demonstrate that greater availability of gambling venues is associated with increased gambling participation, financial hardship, and deteriorating mental health. These findings demonstrate that gambling generates substantial social and economic consequences, which should be taken into account when designing and evaluating regulatory measures aimed at reducing illegal gambling activities. Fisher et al. (2025) argue that online gambling should be regulated through legal measures aimed at reducing gambling-related harm. Although the study primarily focuses on public health, its

findings provide an important basis for improving regulatory approaches aimed at reducing gambling-related harm.

Tran et al. (2024), in a global systematic review, demonstrate that online gambling formats, particularly online casinos and slot games, are associated with the highest prevalence of problematic gambling. These findings provide an empirical basis for strengthening regulatory oversight of the online gambling market. Given that illegal gambling increasingly operates through cross-border digital platforms, the identified risks further support the need for effective regulatory and law-enforcement measures. Of particular relevance to the present study is the analysis by Khamzina and Buribayev (2026), who examine the evolution of Kazakhstan's gambling regulation in 2023–2024. The authors demonstrate that strengthened regulation, including a specialized regulator, tighter advertising controls, broader self-exclusion mechanisms, and enhanced criminal enforcement-has been accompanied by a decline in recorded illegal gambling cases, although a substantial offshore online market persists. These findings support the need for further improvements in taxation, regulatory governance, and cross-border enforcement when evaluating the implementation and regulatory outcomes of anti-illegal gambling policies.

Thus, the current literature suggests that the assessment of anti-illegal gambling policy should extend beyond traditional law-enforcement indicators, such as the number of detected violations or blocked websites. A comprehensive evaluation should also consider developments in the regulated gambling market, changes in criminal activity, preventive measures, treatment and rehabilitation coverage, and broader social and regulatory outcomes. The latter include:

- increasing tax revenues from the legal market,
- reducing shadow gambling,
- reducing social costs,
- protecting consumers and increasing the transparency of financial flows.

The literature review indicates that most previous studies have examined illegal gambling from legal, social, or technological perspectives. However, fewer studies have proposed integrated approaches that simultaneously consider: the implementation of regulatory measures; financial monitoring and website blocking mechanisms; developments in the regulated gambling market; changes in registered illegal gambling activities; preventive measures and treatment programmes aimed at reducing gambling-related harm.

The present study seeks to address this gap by developing an integrated index for monitoring the implementation and outcomes of anti-illegal gambling policy in Kazakhstan.

2. Research Methods

The methodological basis of the study is an institutional, systemic, and risk-oriented approach to the analysis of illegal gambling and government regulation mechanisms in the digital economy. The research is based on a comprehensive examination of the regulatory, economic, social, and organizational aspects of combating illegal gambling, taking into account international experience and current trends in digital financial technologies.

The following methods were used in the study:

- Comparative analysis was used to review international approaches to gambling regulation and the main regulatory instruments used to combat illegal gambling across jurisdictions. Given differences in national regulatory frameworks, legal definitions, statistical methodologies, and reporting practices, international evidence is used

primarily to identify common regulatory approaches and policy instruments rather than for direct quantitative cross-country comparison.

- Economic and statistical analysis was applied to assess developments in the legal gambling market, tax revenues, registered gambling-related criminal offences, blocked illegal online resources, and other relevant quantitative indicators.
- Structural and dynamic analysis was used to identify key trends in Kazakhstan's gambling market and assess changes associated with the implementation of regulatory measures.
- The relative indicator method was applied to calculate the market legalisation coefficient, reflecting the relationship between the officially recorded legal gambling market and registered criminal offences related to illegal gambling.
- The index method was used to construct the Integrated Index of Anti-Illegal Gambling Policy Implementation (IIAGPI) by combining indicators of gambling participation, treatment and rehabilitation coverage, blocked illegal online resources, and registered criminal offences.
- Min–Max normalisation was applied to convert indicators measured in different units into a common dimensionless scale, enabling their aggregation within the IIAGPI.
- Expert-analytical interpretation was used to interpret the empirical results, assess the strengths and limitations of the existing regulatory framework, and identify priorities for improving anti-illegal gambling policy.

The empirical basis of the study consists of data from the Bureau of National Statistics of the Republic of Kazakhstan, the Committee on Legal Statistics and Special Records of the Prosecutor General's Office of the Republic of Kazakhstan, the Ministry of Tourism and Sports of the Republic of Kazakhstan, international organizations, and recent international studies on gambling regulation and illegal gambling.

3. Analysis and Results

According to a study on gambling regulation in Kazakhstan, in 2024, government agencies:

- identified more than 11,000 illegal online resources related to illegal gambling;
- initiated over 100 administrative and enforcement actions against illegal operators;
- established a specialized government agency to regulate gambling and lottery activities.

The data presented in Table 2 demonstrate a significant transformation of the gambling market in Kazakhstan.

Table 2: Key Indicators of Gambling Market Development and Regulation in Kazakhstan

Year	Legal Gambling Market, KZT bn	Gambling Tax Revenue, KZT bn	Illegal Gambling Cases, No.	Debtors Restricted, No.	Voluntary Self-Exclusion, No.
2019	13.6	–	420	0	0
2020	89.7	–	212	0	0
2021	501.2	11.9	225	0	0
2022	572.1	30.0	144	0	0
2023	368.7	15.9	101	0	0
2024	484.5	45.2	70	≈3,000,000	≈188,000
2025	560*	55*			≈220,000

Source: Authors' compilation based on Khamzina and Buribayev (2026).

Research in Kazakhstan shows that the legal market continued to expand in 2024, while the number of registered criminal cases related to illegal activity decreased compared to previous years.

From 2019 to 2022, the volume of legal services increased from 13.6 billion to 572.1 billion tenge, reflecting the active expansion of the regulated market segment. At the same time, the number of criminal cases related to illegal gambling decreased from 420 to 144. This pattern is consistent with increased regulatory activity, although the present analysis does not establish a causal relationship between regulatory measures and observed market changes.

In 2023, the legal market contracted to 368.7 billion tenge, and tax revenues decreased to 15.9 billion tenge. However, these figures returned to growth in 2024. Tax revenues reached 45.2 billion tenge, the highest level for the period under review. At the same time, the number of criminal cases decreased to 70, more than sixfold compared to 2019.

New regulatory instruments introduced in 2024 deserve special attention. Restrictions on access to gambling were extended to approximately 3 million debtors, while the voluntary self-restraint mechanism covered approximately 188,000 people. These measures are aimed at reducing social risks and increasing the responsibility of market participants. The results indicate a gradual shift in government policy from primarily punitive mechanisms to preventive and socially oriented instruments.

To monitor the implementation of anti-illegal gambling policy, it is advisable to use not only absolute indicators, such as the size of the regulated gambling market and the number of registered criminal offenses, but also relative indicators that make it possible to analyse changes in the relationship between key regulatory indicators over time. One such indicator is the market legalization coefficient, which reflects the relationship between the officially recorded legal gambling market and the number of registered criminal offenses associated with illegal gambling activities. The coefficient is intended as a descriptive analytical indicator and should not be interpreted as direct evidence of changes in the size of the shadow gambling market or the effectiveness of government policy. The coefficient reflects the relationship between the officially recorded legal gambling market and the number of registered criminal cases related to illegal gambling. An increase in the coefficient may indicate an expansion of the regulated market relative to recorded enforcement activity. However, this indicator should not be interpreted as direct evidence of a reduction in the shadow gambling market, since the number of criminal cases is influenced by enforcement intensity, reporting practices, and legislative changes. Therefore, the coefficient is treated as a preliminary analytical indicator rather than a direct measure of market legalization. Conversely, a decrease in the coefficient may indicate the insufficient effectiveness of government control measures or the increased activity of illegal operators.

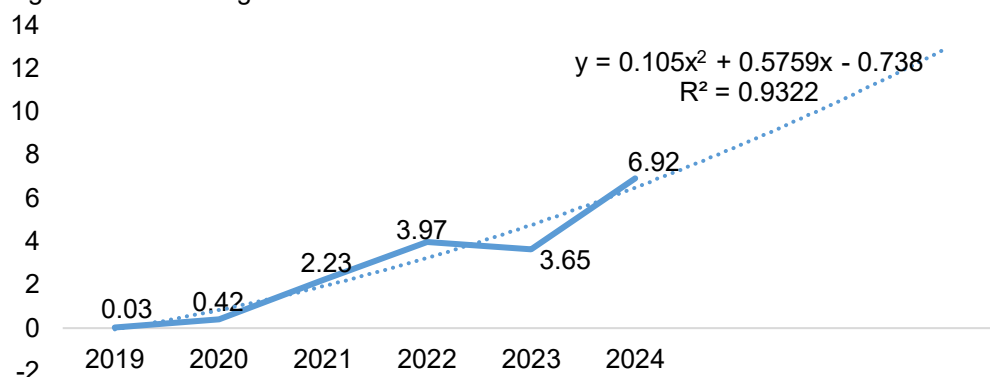
For this study, the market legalization coefficient is calculated as the ratio of the volume of legal gambling and betting services to the number of criminal offenses under the article "Organization of Illegal Gambling Businesses."

$$K_{leg} = \frac{\text{Volume of the legal market}}{\text{Number of criminal cases}} \quad (1)$$

The calculated coefficient increased substantially between 2019 and 2024, reflecting a higher ratio of the officially recorded legal gambling market to the number of registered criminal cases. This pattern indicates that the volume of the regulated market grew more rapidly than the number of recorded criminal offenses. However, the coefficient should not be interpreted

as direct evidence of a reduction in the shadow gambling market or as proof of the effectiveness of regulatory measures, since the number of registered criminal offenses may also be influenced by changes in enforcement intensity, reporting practices, and legislative amendments and other institutional factors affecting the registration of criminal offenses (Figure 1).

Figure 1: Market Legalization Coefficient



Source: Compiled by the authors

This approach allows us to monitoring changes in key regulatory and law-enforcement indicators and identify trends in the transformation of the gambling market in the Republic of Kazakhstan in the context of increased government regulation.

Monitoring the implementation of anti-illegal gambling policy requires in combating illegal gambling operations, it is insufficient to analyse only the size of the legal market or the number of detected violations. A more comprehensive assessment can be achieved by comparing economic and social outcomes with the economic, social, and regulatory indicators. In this regard, an analysis of indicators characterizing changes in the legal segment of the gambling market, the results of law enforcement activities, and the coverage of the population with mechanisms for preventing gambling addiction is of particular interest. These indicators provide a broader perspective on developments in the gambling sector and the implementation of preventive and regulatory measures aimed at reducing illegal gambling activities and mitigating associated social risks (Table 3).

Table 3: Key Indicators of Gambling Regulation in Kazakhstan, 2024

Indicator	2024 Value	Annual Change	Interpretation
Regulated Gambling Market	KZT 484.5 bn	+31.4%	Expansion of the regulated gambling market
Registered Illegal Gambling Offences	70 cases	-30.7%	Decline in registered illegal gambling offences
Debtors Subject to Gambling Restrictions	≈3,000,000 persons	New measure	Expansion of preventive gambling restrictions
Voluntary Self-Exclusion	≈188,000 persons	New measure	Increased use of responsible gambling measures

Note: Illegal gambling offences refer to registered offences under Article 307 of the Criminal Code of the Republic of Kazakhstan. Gambling restrictions for individuals with outstanding debt obligations and the national voluntary self-exclusion mechanism were introduced as new regulatory measures; therefore, directly comparable 2023 values are not available.

Source: Authors' compilation based on Khamzina and Buribayev (2026).

The analysis indicates an association between the implementation of regulatory measures and improvements in the observed indicators of the legal gambling market. However, the methodology does not allow causal inference. In 2024, the volume of legal gambling services reached 484.5 billion tenge, an increase of 31.4% compared to the previous year. This trend indicates an increase in the channelling of players into the regulated sector and increased transparency of financial flows. At the same time, a substantial decline in the number of registered criminal offenses related to illegal gambling was observed. In 2024, 70 criminal offenses were registered under Article 307 of the Criminal Code of the Republic of Kazakhstan, representing a 30.7% decrease compared with 2023. This trend coincided with the implementation of strengthened regulatory and supervisory measures. However, the observed decline should be interpreted with caution, as the number of registered criminal offenses may also be influenced by changes in enforcement practices, reporting procedures, and legislative developments.

An important development in 2024 was the introduction of new preventive policy instruments. Gambling restrictions were extended to approximately 3 million citizens with overdue debt obligations, while approximately 188,000 individuals used the voluntary self-exclusion mechanism. These developments reflect an increased emphasis on preventive and socially oriented regulatory measures alongside traditional enforcement mechanisms aimed at reducing gambling-related social harm. At the same time, the analysis shows that illegal gambling operations remain an important regulatory challenge. Available studies indicate that a considerable share of gambling activity continues to occur through offshore and unlicensed online platforms. However, reliable quantitative estimates of the size of this segment remain limited because of methodological difficulties in measuring cross-border illegal transactions. Therefore, the scale of the offshore gambling market cannot be estimated with sufficient precision on the basis of currently available official statistics.

Overall, the presented data indicate positive developments in several regulatory, economic, and social indicators during the study period, including the expansion of the regulated gambling market, a decline in the number of registered criminal offenses, and the broader implementation of preventive mechanisms. However, these trends should not be interpreted as direct evidence of the overall effectiveness of government policy, since they may also be influenced by changes in enforcement practices, reporting procedures, and other institutional factors. The continuing presence of offshore online gambling platforms highlights the need for further strengthening of financial monitoring, international cooperation, and digital regulatory mechanisms.

In 2024, the Government of the Republic of Kazakhstan approved the Comprehensive Plan for Combating Illegal Gambling and Ludomania for 2024–2026. The plan is aimed at preventing gambling-related harm and illegal gambling, strengthening preventive measures among different population groups, and expanding support services for individuals affected by gambling addiction.

The principal legislative framework governing gambling activities in Kazakhstan comprises the following legal acts:

- Law of the Republic of Kazakhstan No. 219-III of 12 January 2007, “On Gambling Business,” which establishes the general legal framework for the organisation and regulation of gambling activities;

- Law of the Republic of Kazakhstan No. 116-VIII of 8 July 2024, which introduced amendments to legislation concerning gambling and lottery activities, public health protection, labour inspection, state control, and regulatory reform.

As part of these regulatory reforms, access to gambling was restricted for approximately 3 million citizens included in the Unified Register of Debtors. In addition, the maximum period of voluntary self-exclusion was extended from one year to ten years. Approximately 188,000 individuals used the voluntary self-exclusion mechanism, including around 12,000 who selected a restriction period exceeding one year. These measures reflect the expansion of preventive regulatory instruments aimed at reducing gambling-related harm and promoting responsible gambling practices (Table 4).

Table 4: Policy Targets for Reducing Gambling-Related Harm and Illegal Gambling, KZ, 2023–2026

Indicator	2023 Baseline	2024 Target	2025 Target	2026 Target
Regular Gambling and Betting Participants (thousand persons)	350	315	252	201.6
State-Funded Treatment and Rehabilitation Recipients (persons)	13	50	150	300
Blocked Illegal Gambling Websites (thousands)	4.5	5.0	5.9	7.8

Note: The indicators reflect policy targets for reducing gambling participation, expanding access to state-funded treatment and rehabilitation, and strengthening enforcement against illegal online gambling.

Source: Authors' compilation.

The Comprehensive Plan establishes measurable targets for reducing gambling-related harm and strengthening regulatory enforcement. By 2026, it envisages:

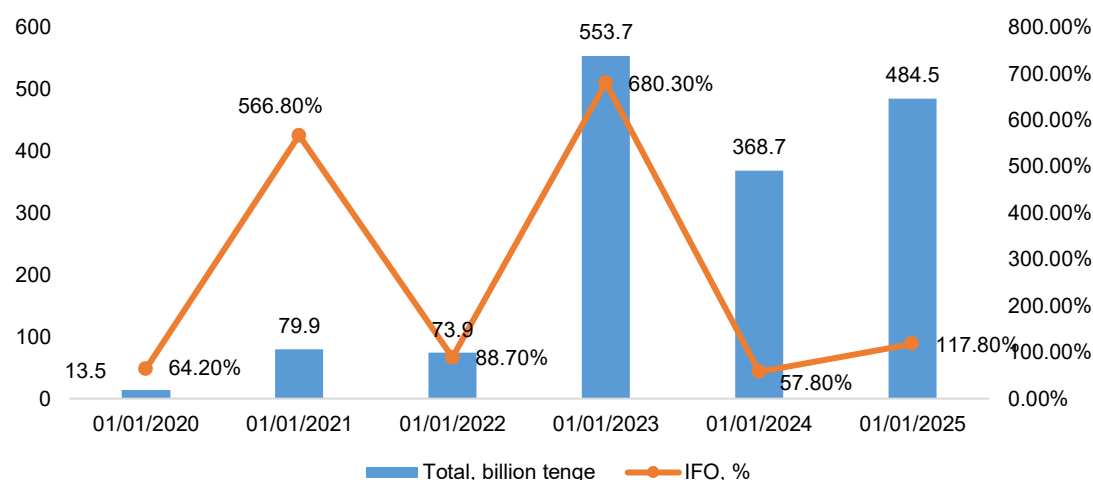
- a *42.4% reduction* in the number of regular gambling and betting participants, from 350,000 to approximately 201,600;
- an increase in the number of individuals receiving state-funded treatment and medical and social rehabilitation from *13 to 300*;
- a *73.3% increase* in number of blocked illegal gambling websites, from 4,500 to 7,800.

These targets provide a quantitative framework for assessing the expected social and regulatory outcomes of government policy. In particular, the Comprehensive Plan to Combat Illegal Gambling and Ludomania in the Republic of Kazakhstan for 2024–2026 aims to reduce regular gambling participation substantially while expanding access to treatment and rehabilitation services and strengthening measures against illegal online gambling.

These policy objectives should also be considered in the context of developments in the regulated gambling market. According to the Bureau of National Statistics of the Republic of Kazakhstan, the volume of services provided by the gambling and betting sector reached KZT 484.5 billion in 2024, representing an increase of 31.4% compared with the previous year.

This level was broadly comparable to that recorded in 2022, when the volume of services exceeded KZT 553 billion (Figure 2).

Figure 2. Gambling and Betting Activities in Kazakhstan, KZT Billion

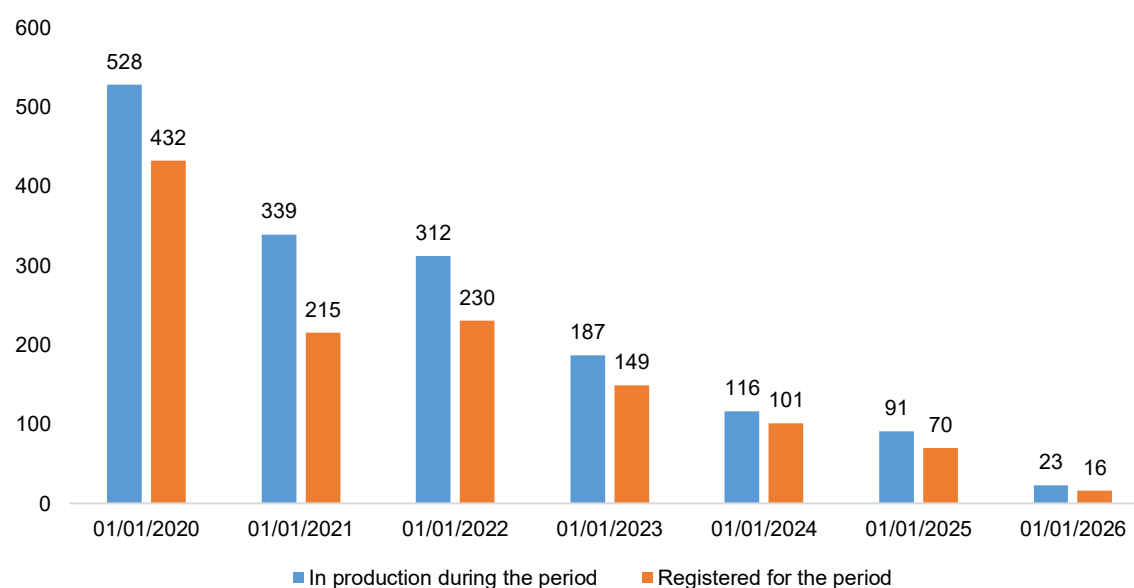


Source: Authors' compilation.

The regional structure of the bookmaking and casino industry is shaped by the legislative requirements of gambling zones. Therefore, 91.1% of such services are concentrated in the Almaty region, in the city of Konayev. In this "Kazakhstani Las Vegas," casino, bookmaking, and gaming parlor owners provided services worth 441.5 billion tenge. A small share of services in this sector also came from the Shchuchinsk-Borovoe zone: 8.8%, or 42.9 billion tenge in value terms.

According to reports from the Committee on Legal Statistics and Special Accounts of the Prosecutor General's Office of the Republic of Kazakhstan, the number of criminal offenses under the Criminal Code article "Organization of Illegal Gambling Business" has decreased in the country in recent years. For example, in 2024, law enforcement officers opened 70 criminal cases under this article - 30.7% less than in 2023, and 6 times less than in 2019. This is partly due to regulatory measures taken by government agencies over these years, the establishment of prohibitions and the systematic fight against violations (Figure 3).

Figure 3. Illegal Gambling Offences, Number of Cases



Source: compiled by the authors according to <http://www.stat.gov.kz>

To monitor the implementation of anti-illegal gambling policy more comprehensively, the study develops an *Integrated Anti-Illegal Gambling Policy Monitoring Index (IAGPMI)*. Rather than relying on individual indicators, the index brings together four key areas of government intervention: social prevention, treatment and rehabilitation, regulatory enforcement, and law enforcement. This provides a more balanced view of policy implementation and its development over time. The IAGPMI covers four dimensions: *Social*: reduction in the number of regular gambling participants; *Rehabilitation*: increase in the number of individuals receiving treatment and rehabilitation services; *Regulatory*: expansion of measures to block illegal online gambling resources; *Law enforcement*: reduction in registered offences related to illegal gambling.

The indicators have different dimensions, so we use the Min-Max method.

- For positive indicators (treatment, website blocking):

$$I_i = \frac{X_i - X_{\min}}{X_{\max} - X_{\min}} \quad (2)$$

- For negative indicators (players, criminal cases):

$$I_i = \frac{X_{\max} - X_i}{X_{\max} - X_{\min}} \quad (3)$$

The index incorporates indicators reflecting changes in the number of regular gambling participants, the coverage of treatment and rehabilitation programmes, the blocking of illegal online resources, and the number of registered criminal offenses related to illegal gambling. By combining these indicators into a single composite measure, the index provides a quantitative framework for monitoring the implementation of anti-illegal gambling policy and tracking progress toward the achievement of government policy objectives.

The integrated index combines observed data for 2023–2024 with target values established in the Government Comprehensive Plan for 2025–2026. Accordingly, the values for 2025 and 2026 represent planned policy targets rather than observed outcomes. The index is therefore intended to illustrate the expected trajectory of policy implementation under the official scenario. The integral index is calculated based on the normalized values of the individual indicators using the following formula:

$$IIEG = \frac{I_{\text{players}} + I_{\text{treatment}} + I_{\text{blocking}} + I_{\text{crime}}}{4} \quad (4)$$

where: *I_{players}*- regular gambler reduction index; *I_{treatment}* - treatment and rehabilitation coverage index; *I_{blocking}* - illegal online resource blocking index; *I_{crime}* - gambling-related crime reduction index.

Equal weights (0.25) were assigned to each component because the study considers social prevention, rehabilitation, regulatory enforcement, and criminal justice outcomes to represent equally important dimensions of the overall effectiveness of anti-illegal gambling policy. Since the indicators included in the Integrated Anti-Illegal Gambling Policy Monitoring Index represent different units of measurement and reflect various regulatory, social, and economic dimensions, the first stage of the calculation involves data normalization. Normalization converts all indicators into a common dimensionless scale ranging from 0 to 1, thereby enabling their subsequent aggregation into a single composite index. The study applies the Min–Max normalization method, which is widely used in the construction of composite indicators and integrated monitoring frameworks.

This approach ensures a consistent interpretation of all normalized indicators: values closer to one indicate greater progress toward the implementation of the policy objectives reflected by the selected indicators. Consequently, all indicators become directly comparable and can be aggregated into the Integrated Anti-Illegal Gambling Policy Monitoring Index (Tables 5, 6, 7).

Table 5: Initial Data

Year	Players, thousands of people	Treatment, people	Website blocking, thousands	Criminal cases
2023	350	13	4,5	101
2024	315	50	5,0	70
2025	252	150	5,9	60

Source: compiled by the authors

Table 6: Standardized Indicators for the IAGPMI, Kazakhstan, 2023–2026

Year	Players	Treatment	Blocking	Crime
2023	0,000	0,000	0,000	0,000
2024	0,236	0,129	0,152	0,608
2025	0,662	0,479	0,424	0,804
2026	1,000	1,000	1,000	1,000

Source: compiled by the authors

Table 7: The Final Index and its Meaning

Year	Integrated Illegal Gambling Policy Monitoring Index	Index value	Efficiency level
2023	0,000	0,00-0,25	low
2024	0,281	0,26-0,50	normal
2025	0,592	0,51-0,75	high
2026	1,000	0,76-1,00	very high

Source: compiled by the authors

The results of calculating the integrated index of effectiveness in combating illegal gambling indicate a significant improvement in the effectiveness of public policy in this area. The projected value of 1.000 for 2026 reflects the achievement of the target values specified in the Government Comprehensive Plan under the normalization procedure adopted in this study. It should not be interpreted as independently verified evidence of maximum regulatory effectiveness.

At the initial stage of the program's implementation in 2023, the integrated policy monitoring index indicated a relatively low level of progress. This was associated with a high number of regular gambling participants, limited coverage of treatment and rehabilitation programmes, and the early stage of development of preventive mechanisms against gambling-related harm. By 2024, the index value had increased to 0.281, indicating measurable progress in the implementation of anti-illegal gambling policy. This improvement was associated with a decline in registered criminal offences, an expansion of website-blocking measures targeting illegal online resources, and the introduction of new mechanisms restricting gambling participation among socially vulnerable groups.

In 2025, the integrated index increased to 0.592, reflecting the continued implementation of regulatory and preventive measures. The main factors associated with this increase were:

- a further reduction in the number of regular gamblers,
- an increase in the number of individuals who underwent treatment and medical and social rehabilitation;
- strengthening measures to restrict the activities of illegal online platforms.

The index is projected to reach its peak in 2026. Reaching 1.000 reflects the achievement of the state program's target indicators and demonstrates the development of a comprehensive system to combat illegal gambling based on a combination of law enforcement, preventative, social, and digital regulatory mechanisms.

Overall, the proposed integrated index provides an analytical framework for monitoring the implementation of anti-illegal gambling policy using a combination of social, regulatory, and law-enforcement indicators. Its practical value lies in supporting the systematic monitoring of policy implementation, identifying priority areas requiring regulatory attention, and providing an evidence-based basis for public policy evaluation in the Republic of Kazakhstan.

Study Limitations

This study has several limitations. First, international evidence is used primarily for contextual comparison because national regulatory systems and statistical methodologies differ substantially across countries. Second, the integrated index combines observed data with policy target values for 2025–2026; therefore, projected values should not be interpreted as independently verified outcomes. Third, the proposed legalization coefficient represents a preliminary analytical indicator rather than a direct measure of the shadow gambling market. Finally, the empirical analysis identifies statistical associations but does not establish causal relationships between regulatory measures and observed market changes.

Conclusion

Based on the analysis of international experience, the dynamics of the gambling market in Kazakhstan, and the results of the integrated policy monitoring index, the following measures are proposed to strengthen the implementation of anti-illegal gambling policy and reduce the scale of illegal gambling activities in the Republic of Kazakhstan.

It is recommended to establish a centralized digital platform integrating data from government authorities, financial institutions, payment organizations, telecommunications operators, and licensed gambling operators. The application of big data analytics and artificial intelligence technologies would facilitate the identification of suspicious financial transactions, improve the monitoring of unlicensed online platforms, and support the timely detection of new methods used to circumvent existing regulations.

Cooperation between financial institutions, the Financial Monitoring Agency, and the National Bank of the Republic of Kazakhstan should be further enhanced to improve the identification of financial transactions associated with illegal gambling. Particular attention should be given to cross-border payments, cryptocurrency transactions, and electronic wallets, which are frequently used by illegal operators.

International experience indicates that preventive regulation is generally more sustainable than purely reactive enforcement. Therefore, a risk-based regulatory model should be introduced, including risk profiling of gambling operators, online platforms, and customer transactions using data analytics and machine-learning techniques to support the early identification of regulatory risks.

Voluntary self-exclusion mechanisms should be expanded and integrated into national information systems. The establishment of a unified national self-exclusion register covering all licensed gambling operators, bookmakers, and online gambling services would strengthen preventive policy and improve consumer protection.

Considering the growing prevalence of gambling-related harm, it is recommended to expand access to psychological counselling, treatment, and rehabilitation services. Early identification of individuals at risk could also be supported through cooperation with licensed operators and financial institutions while ensuring compliance with data protection requirements.

Since many illegal gambling platforms operate across national borders, closer cooperation with foreign financial regulators, financial intelligence units, and law enforcement authorities should be further developed. Enhanced information exchange would improve the detection of cross-border illegal gambling activities and support more effective regulatory enforcement.

The integrated index developed in this study is proposed as an analytical tool for monitoring the implementation of anti-illegal gambling policy in Kazakhstan. The index enables the systematic monitoring of key regulatory indicators, supports the identification of priority areas requiring regulatory attention, and provides an evidence-based framework for public policy evaluation. Since the index incorporates both observed data and official policy targets, it should be interpreted as a monitoring instrument rather than as a direct measure of policy effectiveness.

[CRedit Authorship Contribution Statement](#)

Abdrakhmanov, R. and Sabyrova, K. contributed to the conceptualization of the study, research design, and formulation of the theoretical framework. Aikumbekov, N. and Nurtayeva, G. were responsible for data collection, data curation, and preliminary statistical analysis. Koichiev, A. contributed to the methodological design, econometric modelling, and interpretation of empirical results. All authors contributed to the validation of results, literature review, and critical revision of the manuscript for important intellectual content. All authors participated in drafting the manuscript, provided substantial intellectual input, reviewed and approved the final version, and agreed to be accountable for all aspects of the work.

[Conflict of Interest Statement](#)

The authors declare that the research was conducted in the absence of any commercial or financial relationships that could be construed as a potential conflict of interest.

[Data Availability Statement](#)

The data used in this study are derived from publicly available official statistics, government reports, and institutional records of the Republic of Kazakhstan. The sources are identified in the manuscript and reference list. Data generated through the authors' calculations, including the market legalisation coefficient and the Integrated Anti-Illegal Gambling Policy Monitoring Index (IAGPMI), are derived from these publicly available sources.

[Ethical Approval Statement](#)

Ethical approval was not required for this study because it relies exclusively on aggregated secondary data obtained from publicly available statistical, governmental, and institutional sources. The research did not involve human participants, personal or identifiable data, clinical records, surveys, interviews, or experimental interventions. .

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