



**THE EUROPEAN
LOTTERIES**
FOR THE BENEFIT OF SOCIETY

PRESS RELEASE

The European Lotteries call for regulatory coherence as prediction markets grow in Europe

Brussels, 30 September 2026 – As prediction markets gain prominence globally and attract growing attention in Europe, The European Lotteries (EL) call for a coherent regulatory approach that ensures that new and emerging products do not create gaps or arbitrage which would weaken existing consumer safeguards.

Prediction markets – allowing users to take positions on the outcome of future events, from elections and economic indicators to sporting competitions, through so-called “event contracts” – raise important questions at the intersection of financial services and gambling regulation.

The regulatory treatment of prediction markets should depend on the legal characteristics, economic substance and associated risks of the products concerned, rather than on the terminology used to market or describe them, or the technology through which they are offered.

Under the current European regulatory framework, event contracts that qualify as financial instruments under the Markets in Financial Instruments Directive (MiFID II) are subject to the applicable financial services rules. Where event contracts do not qualify as financial instruments, their treatment depends on the relevant national gambling framework. Importantly, qualification as a financial instrument does not, in itself, create an exemption from otherwise applicable national gambling legislation.

As gambling regulation remains a national competence, the legality and regulatory treatment of prediction market services must be assessed on a jurisdiction-by-jurisdiction basis. This reflects the fact that gambling policies are deeply rooted in national legal frameworks, public policy objectives, consumer protection considerations, and market structures, which can vary significantly across Member States. This makes regulatory coherence and effective coordination between authorities particularly important.

EL also stresses that technological developments, including distributed ledger technology (DLT), blockchain, smart contracts and tokenisation, should not alter the underlying regulatory analysis. Regulatory frameworks should remain technologically neutral, ensuring that equivalent activities are subject to equivalent rules regardless of the technology used to deliver them.

“Prediction markets are developing rapidly, and regulation should keep pace. EL’s position is simple: activities that present similar risks should be subject to similar safeguards. The focus should be on the nature of the product and activity, rather than the label or underlying technology attached to it.” says **Piet Van Baeveghem, EL Secretary General**.



He adds, *"We welcome the recent statement by the European Securities and Markets Authority (ESMA), which explicitly recognises that event contracts may also constitute betting under national gambling law. This underlines the importance of close coordination between financial and gambling authorities to ensure a coherent regulatory approach."*

Against this background, EL considers that prediction markets should remain within the current European regulatory architecture, with policymakers focusing on the consistent application and enforcement of existing frameworks as the market continues to evolve.

[ENDS]

Notes

[1] EL Position Paper "Prediction Markets in Europe: Understanding the Regulatory Landscape and Ensuring Regulatory Coherence" https://www.european-lotteries.org/sites/default/files/2026-09/Prediction%20Markets_EL%20Position%20Paper_FINAL.pdf

In EL's view, four principles should guide future policy:

1. Regulatory classification should be based on a product's characteristics, economic substance and risks, rather than its commercial name or underlying technology.
2. States' competence to determine how gambling is organized and regulated within their territories should be preserved.
3. New technologies should not create exemptions from otherwise applicable regulatory requirements.
4. Close coordination between financial and gambling regulators is essential to ensure legal certainty, consistent enforcement and effective oversight.

[2] The Markets in Financial Instruments Directive II (MiFID II) empowers the Commission to adopt delegated and implementing acts to specify how competent authorities and market participants shall comply with the obligations laid down in the directive.

[3] ESMA Public Statement on the application of the national product intervention measures on binary options to event https://www.esma.europa.eu/sites/default/files/2026-07/ESMA35-243228190-8148_Public_Statement_on_the_application_of_the_national_product_intervention_measures_on_binary_options_to_event_contracts.pdf

Contact: Lucy Lenaers-Mathieson, EL Communications Officer, E-mail: lucy.mathieson@european-lotteries.eu

About The European Lotteries (EL)

The European Lotteries Association (EL) is the European umbrella organisation of entities operating national lotteries and other games of chance, including sports betting. The members of EL are operating their services for the public benefit. EL is the largest and most representative lottery and gambling sector's organisation in Europe, present in 41 European countries with a total of 71 members, including all EU member states (50 members are in the EU and 20 non-EU member states). EL stands for the sound and sustainable activity model for the benefit of society, based on the values of forward-thinking, sustainability and integrity. EL members only operate in those jurisdictions in which they are licensed by the state and where they comply with the legal requirements (e. g. anti-money laundering, responsible gaming policies, etc), and act as the most responsible operators in each jurisdiction.

Website: www.european-lotteries.org