

## Unchecked Online Gambling in Bangladesh

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### Introduction:

Gambling has always been one of the very popular pastime activities in Bangladesh. Situated in South Asia, Bangladesh is considered as one of the most densely inhabited countries in the world. Its history has been largely defined under the influence of the British, where the country served as a colony until the late 1940s. Since this South East Asian Country has been subjected to British rule for a significant amount of time, it is understandable that a large part of its culture and practices have been influenced by British culture, including the way they gamble. The existing gambling laws of Bangladesh still dates to the British rule. Since Bangladesh is the second largest Islamic country in the world and about 90 percent of its population is Muslim, gambling of all forms except horse racing is prohibited by the law of the land and discouraged by Sharia laws. Despite the existence of these laws, still gambling is rampant in Bangladesh. Though gambling in Bangladesh has no infrastructural existence and there are no legally approved casinos in Bangladesh, the thirst of Bangladeshi gamblers finds its ways in online, sports, and in Clubs, Cafes and Restaurants under the nose of the law enforcing authorities.

### Gambling Laws of Bangladesh:

The gambling laws of Bangladesh derived from the era of British rule. Bangladesh adopted The Public Gambling Act 1867 which was an Indian gambling law and later inherited by Pakistan, to regulate matters related to gambling within the country. Section 2 was repealed and sections 3 and 4 were amended while declaring The Public Gambling Act 1867 applicable in Bangladesh<sup>1</sup>. Modifications have been made to the act a few times to allow certain lotteries, to clarify prize bonds not as a gambling, and to add 21% tax charge to horse riding tote and bookmaker operators.<sup>2</sup> According to the Act, the penalty for being caught in gambling is 1 month imprisonment or a small fine of BDT 100.<sup>3</sup> A momentum arose to increase the fine to 5000 taka about a decade ago but this was never possible and the law is only selectively enforced.

Directions have also been prescribed in the Constitution of Bangladesh to prevent and regulate gambling. The Constitution runs as follows in this regard, “the state shall adopt effective measures to prevent prostitution and gambling”.<sup>4</sup> Nevertheless, prostitution was declared legal in Bangladesh in 2000.<sup>5</sup> In addition, pool clubs, restaurants and cafes have

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<sup>1</sup>The Gambling Laws of Bangladesh, Available at: <https://www.onlinebetting.com/legal/bangladesh/> (Accessed on September 5, 2018).

<sup>2</sup>*Ibid*

<sup>3</sup> The Public Gambling Act, 1867; section 4

<sup>4</sup> Constitution of the People’s Republic of Bangladesh (1972), Article 18

<sup>5</sup>Online Casino Bangladesh – Best Bangladesh Casinos Online 2018, Available at: <https://www.slotsup.com/onlinecasinos/bangladesh-bd> (Accessed on September 8, 2018).

become the gathering spot for the gamblers to gamble in different kinds of sports including Cricket, Football, Kabaddi, etc. Raids in these gambling spots are occasionally made by the police.

### **Online Gambling in Bangladesh:**

Gamblers of Bangladesh mostly gamble online except for betting among friends or groups in restaurants and sport clubs. Due to the spread of internet and easy internet access all over the country, online gambling has become very popular. Bangladesh uses The Public Gambling Act 1867 to regulate all sorts of gambling in Bangladesh. The law is too old that there is nothing written about computers and internet in the Act and it is only applicable within the territories of Bangladesh. Besides that, there are no official gambling authorities in Bangladesh and the government delegates the right to punish gamblers to local magistrates.<sup>6</sup> However, amongst all gambling websites Bangladeshi players use websites that is of foreign origin. These are licensed in other places of the world such as United Kingdom.<sup>7</sup> Various kinds of online gambling are prevalent in Bangladesh including online casinos, online sports betting, online lotteries, etc.

*Online lottery:* Lottery is another few forms of gambling that is deemed legal in Bangladesh. There is no official Bangladeshi national lottery, there are several companies offering various lottery games.<sup>8</sup> The proceedings of these lotteries made it look like a charity, however. Prize bond draws are a form of investment/ lottery offered by the Bank of Bangladesh.<sup>9</sup> Online lottery is also legal in Bangladesh; there are no Bangladeshi- online lottery operators.<sup>10</sup> Online lottery portals run by international operators can be freely accessed from Bangladesh, and locals can freely participate in this as well.

*Online Casinos:* The Public Gambling Act 1867 declares casino gambling illegal in Bangladesh. Therefore, there are no land-based casinos in the Country, nor any online casino gambling sites based in Bangladesh. Many casinos based in foreign countries are freely available in Bangladesh, and the spread of the internet has facilitated the Bangladeshis significantly to benefit from these online casinos. There are no laws in Bangladesh apart from Sharia law, which cannot be considered binding in this case – that prohibit participation in online gambling for Bangladeshi people.<sup>11</sup> The ban applying to gamblers states: “whoever is found in any such house, tent, room, space, or walled enclosure...”<sup>12</sup> and includes streets but does not regulate virtual spaces. Accordingly, online casino gambling in Bangladesh is not specifically controlled, and players likely need not fear prosecution for online gambling.

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<sup>6</sup>*Ibid*

<sup>7</sup>Bangladesh Betting Laws & Industries, Available at: <https://www.onlinebetting.in/bangladesh> (Accessed on September 5, 2018).

<sup>8</sup> Simon’s guide to Gambling in Bangladesh, Available at: <https://simonsblogpark.com/onlinegambling/simons-guide-to-gambling-in-bangladesh> (Accessed on September 10, 2018).

<sup>9</sup>*Ibid.*

<sup>10</sup>*Ibid.*

<sup>11</sup>*Ibid.*

<sup>12</sup> The Public Gambling Act, 1867 section-1A

*Online Poker:* The Public Gambling Act 1867 prohibits all forms of gambling, but “games of pure skill” are an exception to the rule.<sup>13</sup> Poker could be considered a game of skill on the long term because there is an element of skill in addition to luck in Poker and thus it could be exempted from the law. No case has reportedly been brought to the Bangladeshi court relating Poker, so it remains undetermined whether Poker is legal in Bangladesh or not. International Poker sites have turned out to be a clearer choice for Bangladeshi Poker players. There are no laws in Bangladesh that make it illegal for individual players to take part in online gambling in any form, so they hardly expect to be prosecuted, even if Poker is considered a form of Gambling.<sup>14</sup>

*Bitcoin Gambling:* All forms of Bit coin usage are strictly illegal in Bangladesh. According to the Bangladesh bank, as Bitcoin is not a legal tender in the country, trading done in the crypto currency may be punishable with a jail sentence of up to 12 years.<sup>15</sup> There has been not a single report on anyone being prosecuted on the grounds of either Bitcoin trading or Bitcoin Gambling.

### **Sports Betting in Bangladesh:**

When it comes to sports betting, players and punters from Bangladesh can literally relax since the environment is more accommodating. There are a few immunities from the complete ban on public gambling in Bangladesh, and sports’ betting is one of them. About a decade ago, most of the sports’ betting took place in restaurants among friends and in sports clubs. With the development of the tele-communication sector of Bangladesh, internet has become abundantly available in Bangladesh. And the spread of internet has made an easygoing way for the gamblers to online sports betting and other forms of online gambling.

*Bets in Horse Racing:* The Public Gambling Act, 1867 declares bets in horse race legal on the conditions that bets may only be made on the day of the race, in dedicated places and at licensed bookmakers.<sup>16</sup> Horse racing competitions have traditionally been held in different parts of the country. In recent years due to widespread poverty, local children are every so often used as jockey and the process is putting their health at great danger. Horse racing events have traditionally been available at the Suhrawardy Udyan – formerly the Ramna Race Course. Nowadays, the place is used mostly for rallies and as a tourist site.

*Betting in Cricket:* Bangladesh is a comparatively newcomer to the field of cricket and the sport has taken the country by storm. Since the Bangladesh Cricket Team began to beat many teams from the traditional cricketing nations the game has become very popular. This has significantly boosted the cricket betting in Bangladesh and the gamblers take up the cricket betting on a large scale. Most of the time, online betting sites are used for cricket betting in Bangladesh. Introduction of one day cricket matches has caused the proliferation of teams and matches on both national and international scale in cricket playing nations. These very

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<sup>13</sup>*Ibid*

<sup>14</sup>*Supra note 8*

<sup>15</sup> Bangladesh to jail Bit coin Traders, Available at: <https://telegraph.co.uk/> (Accessed on September 10, 2018).

<sup>16</sup> *Supra note 12*

much exhilarating events have produced in cricket in-play betting and spot-bets on large scale on popular online gambling sites of repute.<sup>17</sup> Here anyone can make a match winner, straight bet or through a spread. Besides, total runs, next dismissal, most match sixes, sessions run, innings runs, next over runs, dismissal method and so on are the types of cricket bets that one bet on.<sup>18</sup> A great number of set-ups across the country such as clubs, restaurants, and cafes openly allow customers to bet on sports such as cricket. These venues are often known to police, but police raids only occur occasionally.

With the success of Bangladesh cricket team and more importantly since the introduction of the BPL in 2012, cricket betting has grown out of proportion in Bangladesh. Besides, people in this part of the world were also involved in betting during overseas events including the Indian Premier League (IPL).<sup>19</sup> And according to police these websites play the major role in syndicated betting with their representatives on the ground.<sup>20</sup>

There are no Bangladesh-based online sports betting sites, but Bangladeshi players are free to access overseas online sports betting sites legally. To encourage the people to place their bets online, many reputable companies offer signup bonuses, free bets etc and these are available often. Since all online sports betting conducts are placed in foreign sports books, there aren't any kinds of provisions to tax private individuals.<sup>21</sup> So whatever amount one wins from these bets, he/she can withdraw them without paying any kind of taxes to the government.

Recently, betting by fans in stadiums at live cricket matches has increasingly become a problem for sports books.<sup>22</sup> Fans have been taking advantage of the brief time delay between the live action and the official televised footage to place bets.<sup>23</sup>

***Gambling in Other Sports:*** Cricket is by far the most popular sport to bet on in Bangladesh. However, there are also many sports leagues that attract many viewers and punters, including the Spanish La Liga, English Premier League and Indian Pro Kabaddi League. Although, the degree of passion is not that strong compared to cricket but these sporting leagues also attract many betters and followers.

Kabaddi, the national sport of Bangladesh, is played throughout the country and it is even a feature of the Asian Games. With the introduction of Kabaddi World Cup and Indian Pro Kabaddi League this game has grabbed the attention of the sports betters in Bangladesh and they took it as an addition to their sports betting opportunities.

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<sup>17</sup>*Supra note 7*

<sup>18</sup>*Ibid.*

<sup>19</sup> Police blacklist 12 websites, Available at <https://www.thedailystar.net/frontpage/police-blacklist-12-websites-1330054> (Last Accessed on September 9, 2018).

<sup>20</sup>*Ibid.*

<sup>21</sup>*Supra note 7*

<sup>22</sup> Bangladesh Introduces Mobile Courts to Punish Gamblers, Available at: <https://www.casino.org/blog/bangladesh-introduces-mobile-courts-to-punish-gamblers/> (Last Accessed on September 9, 2018).

<sup>22</sup>*Ibid.*

<sup>23</sup>*Ibid.*

### **Shortcomings of the Existing Gambling Laws and Outcomes**

It is quite clear from the above discussions that online gambling in Bangladesh is totally unregulated and the government is not so concerned about it. Since it being rooted in the British era, the Public Gambling Act 1867 lacks enough provisions to cope with the emerging online gambling in Bangladesh. And the punishment is not proportionate to the gains one can make from gambling. When one can win millions of money from gambling, it is not a very big deal for him to pay 500 taka fine as punishment. The act says nothing about computers and internet. Consequently, the definition of online gambling sites as Gaming House remains undetermined. Since almost all the online gambling sites are foreign based, they do not fall within the Jurisdiction of Bangladeshi laws. As a result, online gamblers can easily escape punishment and they are hardly afraid of punishment since the punishments are too lenient.

As all online sports betting takes place in foreign sports books, there are not any kind of provisions to tax private individuals.<sup>24</sup> So whatever amount one win from these bets, he can withdraw them without paying any kind of taxes to the government. According to statistics published by the Bangladesh Bank, the GDP of the country has increased by 6%.<sup>25</sup> The Huge internet penetration has made an incredible 33 million Bangladeshis to take to online gambling on an immense scale.<sup>26</sup> The above-mentioned data proves that how much online gambling remains unregulated and untaxed. This massive and unchecked flow of cash from country to country through online gambling hampers the economy of Bangladesh to a great extent.

### **Conclusion**

It is quite evident that Bangladeshi people like to and will continue to gamble. And the spread of internet has added a new dimension to the field of gambling. Whatever forms gambling is in, it is nearly impossible to prevent it completely. Since complete ban on gambling is not the solution, Bangladesh needs proper legal policies and assurance of the implementation of these policies. Introduction of a separate regulatory authority to control gambling is a crying need since there is none in Bangladesh.

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<sup>24</sup>*Supra note 7*

<sup>25</sup>*Ibid.*

<sup>26</sup>*Ibid*