

WHY REGULATORY PREDICTABILITY MATTERS MORE THAN MARKET SIZE

*Building confidence in
Africa's emerging gaming
jurisdictions*



PREDICTABILITY REDUCES RISK

Clear rules and
consistent enforcement
build investor confidence.



STRONG INSTITUTIONS ATTRACT CAPITAL

Competent regulators
and transparent systems
create investable markets.



STABLE POLICY SUPPORTS GROWTH

Consistent taxation
and policy enable
long-term planning.



PROTECTING CONSUMERS, STRENGTHENING MARKETS

Responsible regulation
safeguards players, revenue
and market integrity.



INVESTABLE TODAY, SUSTAINABLE TOMORROW

Quality regulation turns
opportunity into durable
investment.



Nkopane Tshehla

Strategic Advisor | Researcher | Governance Practitioner



BUILDING INVESTABLE GAMING JURISDICTIONS.
STRENGTHENING GOVERNANCE.
ADVANCING AFRICA'S GAMING FUTURE.

Why Regulatory Predictability Matters More Than Market Size

Building confidence in Africa's emerging gaming jurisdictions

Africa's gaming markets are often assessed using familiar indicators: population size, mobile penetration, consumer demand, projected revenue and licence availability. These factors matter, but they do not determine whether a jurisdiction will attract sustained, responsible investment.

Market size may attract attention. Regulatory predictability determines whether capital remains.

This distinction became increasingly clear at the Enugu Gaming Conference 2026, where discussions repeatedly returned to the relationship between regulation, investment confidence, taxation, technology and market sustainability. Although the conference provided the setting, the underlying question is continental:

Why do some African gaming jurisdictions convert market opportunities into durable investment, while others struggle to secure long-term commitment?

The answer increasingly lies in the quality and predictability of the institutions governing the market.

Opportunity is not the same as investability

A large population does not automatically create an investable market. Nor do high betting volumes, rapid digital adoption, or strong consumer demand.

Investors must also be able to assess the regulatory environment in which capital will operate. They need to understand how licences are issued, how taxes are calculated, how compliance obligations are applied, and whether policy is likely to remain sufficiently stable for long-term planning.

In highly regulated sectors such as gaming, governance risk becomes part of commercial risk.

Where licensing requirements are unclear, tax rates change without adequate consultation, or different public institutions apply conflicting interpretations, investors increase the risk premium attached to the market. Projects may be delayed, financing becomes more expensive, and operators may limit their commitment to short-term market participation.

By contrast, predictable regulatory systems make risk easier to understand and manage. They allow investors to plan infrastructure, technology, employment and market development over several years rather than operating from one policy cycle to the next.

Predictability does not mean weak regulation.

The call for predictability should not be confused with a call for less regulation.

Responsible investors do not require the absence of rules. They require clear, consistently administered rules.

Strong regulation can support investment when it is transparent, proportionate and professionally implemented. It protects consumers, safeguards public revenue and creates confidence that illegal or non-compliant competitors will not permanently disadvantage compliant operators.

Jeremiah Maangi made this distinction clearly in his Enugu keynote. He argued that responsible, transparent regulation is not the enemy of business but a catalyst for confidence and investment. He also warned that policy volatility, unexpected tax changes and jurisdictional overlap can undermine long-term capital planning and create space for unregulated operators.

This is an important message for African policymakers. Regulation and investment are not opposing interests. When properly designed, they reinforce one another.

The institutional foundations of predictability

Predictability is not created by legislation alone.

Legislation establishes the formal framework, but institutions give it practical effect. Investors therefore observe not only what the law says but also how regulators behave.

They consider whether application requirements are clear, whether decision-making criteria are applied consistently, and whether regulators communicate changes in a way that allows businesses to prepare.

They also assess whether public institutions possess the technical and professional capability to supervise increasingly digital markets. As gaming platforms, payments and data systems become more sophisticated, institutional confidence depends partly on whether regulators can understand and govern those systems effectively.

The earlier Larocure Governance Series publication argued that digital transformation is fundamentally an institutional challenge. Regulatory authority remains essential, but without visibility, data capability and operational competence, it may be insufficient in a digital environment.

Regulatory predictability therefore depends on several interrelated capabilities:

Legal clarity.

Institutional competence.

Transparent licensing.

Stable fiscal policy.

Digital regulatory capability.

Credible enforcement.

Weakness in any one of these areas can undermine confidence in the broader system.

Taxation is part of the confidence equation.

Tax policy is one of the clearest examples of how unpredictability can undermine market sustainability.

Gaming taxes and levies are legitimate instruments of public policy. Governments are entitled to secure fair and sustainable revenue from regulated gaming activity. The difficulty arises when fiscal policy changes frequently, lacks transparency, or fails to account for the licensed market's economics.

Unpredictable taxation can lead to several unintended consequences.

Operators may reduce investment.

New entrants may delay market entry.

Licensed businesses may become less competitive with illegal platforms.

Consumer activity may migrate towards unregulated channels.

Government revenue may ultimately weaken rather than increase.

The objective should therefore be to design fiscal frameworks that are transparent, proportionate and sufficiently stable to support both public revenue and market compliance, rather than minimising tax.

Tax certainty is a component of regulatory maturity.

Africa should not compete only on market size.

African jurisdictions are increasingly competing for gaming investment. Yet competition based solely on population size, tax incentives or the number of licences available is unlikely to yield sustainable outcomes.

The stronger competitive advantage stems from institutional credibility.

A smaller market with predictable regulation may prove more attractive than a larger market characterised by uncertainty. Investors can model demand risk and plan for different tax rates. More difficult to manage is uncertainty over how institutions will exercise their authority.

This suggests that Africa's future gaming leaders may not necessarily be the jurisdictions with the highest current revenues. They may be those that demonstrate the clearest policy direction, the most capable institutions and the strongest commitment to predictable governance.

From national experience to continental learning

No African jurisdiction has achieved this balance.

South Africa offers lessons in institutional maturity, yet it continues to face challenges arising from digital transformation and illegal online gambling.

Nigeria presents significant market potential and regulatory innovation, while navigating questions about state-level coordination and policy consistency.

Kenya exemplifies the dynamism of mobile-first markets and digital payments while continuing to refine its legal and fiscal frameworks.

Other jurisdictions offer lessons in administrative stability, digital public infrastructure, licensing efficiency and institutional collaboration.

The purpose of comparative learning should therefore not be to rank countries. It should identify practices that can be adapted to diverse constitutional, economic, and institutional environments.

The Larocure position

Larocure advances a straightforward proposition.

Market opportunity attracts interest. Regulatory predictability turns that interest into commitment.

For governments and regulators, this means that investment promotion should not begin solely with commercial incentives. It should begin with institutional strengthening.

For operators and investors, this means long-term market assessments should consider governance quality alongside projected revenue.

For the wider industry, it means recognising that sustainable growth depends on institutions capable of balancing innovation, public protection and economic confidence.

Looking ahead

Africa's gaming markets will continue to grow. Technology, demographic change and digital payments will ensure this.

The more important question is whether regulatory institutions will evolve at the same pace as the rest of the system.

Jurisdictions that provide clear rules, stable policy and credible oversight will be better placed to attract responsible investment, strengthen compliance and preserve public confidence.

Market size creates opportunities.

Predictable institutions create investability.

And in Africa's next phase of gaming development, that distinction may become one of the most important competitive advantages.



KEY POINTS



Opportunity is not the same as investability.

- Market size attracts attention, but regulatory predictability determines whether capital remains.



Predictability reduces risk and lowers the cost of capital.

- Clear rules, consistent enforcement and stable policy allow investors to plan for the long term.



Predictability does not mean weak regulation.

- Strong, transparent and proportionate regulation protects consumers, safeguards revenue and creates fair competition.



Institutions drive predictability.

- Legal clarity, institutional competence, transparent licensing, stable fiscal policy, digital capability and credible enforcement form the foundation.



Taxation affects confidence.

- Stable, predictable and well-communicated tax policies encourage investment and support market sustainability.



Predictability strengthens all stakeholders.

- Investors, operators, consumers and government all benefit from a predictable regulatory environment.



The competitive advantage is institutional.

- Jurisdictions with predictable, credible and capable institutions will convert opportunity into durable investment.

ABOUT THIS EDITION

This edition examines why regulatory predictability is a more important determinant of investment in Africa's gaming markets than market size.

Drawing on insights from the Enugu Gaming Conference 2026 and broader governance experience, it explores how institutions, regulation, taxation and operational capability shape confidence and long-term commitment.

It argues that when regulation is clear, consistently applied and supported by competent institutions, it becomes an enabler of growth, innovation and sustainable development.

“

Regulatory certainty is the infrastructure that allows capital to commit, operators to grow, and markets to thrive.”
When institutions are predictable, everyone benefits.

”

Nkopane Tshehla

Strategic Advisor | Researcher |
Governance Practitioner



Nkopane Tshehla

Strategic Advisor | Researcher |
Governance Practitioner

Independent. Insight-led. Africa-focused.
Advancing governance, accountable growth and
sustainable gaming ecosystems across Africa.



www.larocure.co.za



insights@larocure.co.za



linkedin.com/in/nkopane-tshehla



Johannesburg, South Africa



9 781990 123456