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## Investment in the Ukrainian gambling market in wartime

### Інвестиції в український ринок азартних ігор у воєнний час

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#### Abstract

This study is the first scientific study in Ukraine on the issue of investment attractiveness of the gambling market in conditions of full-scale war, in which the authors attempted to calculate and assess the costs and benefits that an investor can receive from investing in this type of activity. This study used the method of comparative analysis, the method of system analysis, the hermeneutic method, formal-logical (synthesis, analysis, deduction, analogy), economic analysis, absolute and comparative advantages and statistical methods. The authors analyzed the economic indicators of the market and concluded that despite the hostilities, the market shows a large and stable growth due to the online segment. At the same time, although more than 20 different licenses were issued, the market was divided among only five major players, which indicates the potential for new organizers to enter the market. The assessment of losses and benefits for the investor was carried out according to the following indicators: calculations of official costs for

#### Анотація

Це дослідження є першим в Україні науковим дослідженням питання інвестиційної привабливості ринку гравального бізнесу в умовах повномасштабної війни, в якому автори спробували провести розрахунки та оцінку витрат та вигоди, які інвестор може отримати від вкладення в цей вид діяльності. У цьому дослідженні використовувалися метод порівняльного аналізу, метод системного аналізу, герменевтичний метод, формально-логічний (синтез, аналіз, дедукція, аналогія), економічний аналіз, абсолютні та порівняльні переваги та статистичні методи. Автори проаналізували економічні показники ринку та дійшли висновків, що не дивлячись на воєнні дії, ринок в цілому показує доволі велике і стабільне зростання за рахунок онлайн сегменту. При цьому, хоча видано більше 20 різних ліцензій, ринок між собою розподілили між собою лише п'ять основних гравців, що свідчить про потенціал входу на ринок нових організаторів. Оцінка втрат і вигод для інвестора проводилась

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starting a business in Ukraine (license fees); assessment of the tax system of Ukraine regarding the gambling business from the point of view of the benefits of running such a business; assessment of the war risks of running a gambling business in Ukraine. The calculations showed that the high cost of licenses can be the main obstacle to entering the market for new investors, since in neighboring countries the entry price is much lower. The research conducted allowed us to conclude that today the only promising direction of investment can be the gambling business on the Internet. After the end of hostilities, we expect that the implementation of investment projects and obtaining free investment licenses will become attractive for investment, because today the potential of free investment licenses in Ukraine has not been used, not a single license has been issued, but there are no similar offers in other European markets. Promising areas of research remain the issues of the impact of gambling market taxation rates on market development, as well as on the fight against illegal gambling. A promising direction is the issue of researching the investment attractiveness of the Ukrainian lottery market and the possibilities of holding interstate lotteries in Ukraine.

**Keywords:** gambling business, investments, gambling business licensing, gambling business taxation, war risks.

за такими показниками: розрахунки офіційних витрат на початок бізнесу в Україні (ліцензійні платежі); оцінка податкової системи України щодо грального бізнесу з точки зору вигод ведення такого бізнесу; оцінка воєнних ризиків ведення грального бізнесу в Україні. Проведені дослідження та розрахунки показали, що висока вартість ліцензій може бути основною перешкодою входу на ринок нових інвесторів, оскільки в сусідніх країнах ціна на вхід значно нижча. Проведене дослідження дозволило прийти до висновку, що сьогодні перспективним напрямом інвестування може бути тільки гральний бізнес в мережі інтернет. Після закінчення воєнних дій очікуємо, що інвестиційно привабливим стане реалізація інвестиційних проектів та отримання безкоштовних інвестиційних ліцензій, адже сьогодні потенціал безкоштовних інвестиційних ліцензій в Україні не використаний, жодної ліцензії не видано, але аналогічних пропозицій на інших ринках Європи немає. Перспективними напрямками досліджень залишаються питання впливу ставок оподаткування ринку грального бізнесу на розвиток ринку, а також на боротьбу з незаконним гральним бізнесом. Перспективним напрямом є питання дослідження інвестиційної привабливості українського ринку лотерей та можливостей проведення міждержавних лотерей в Україні.

**Ключові слова:** гральний бізнес, інвестиції, ліцензування грального бізнесу, оподаткування грального бізнесу, воєнні ризики.

## Introduction

The gambling business was prohibited in Ukraine more than 10 years and finally was allowed in 2020 by the Law of Ukraine "On State Regulation of Activities Regarding the Organization and Conduct of Gambling Games" (Law No 768-IX, 2020). With this law gambling in Ukraine was regulated at the legislative level, as earlier it was regulated only bylaws. Since that time the gaming market has always been highly profitable and did not require significant capital investments, and the legislation of Ukraine was quite loyal, so this market has always been attractive to both domestic and foreign investors. The law provided for not very complex mechanisms for licensing activities, and the tax system provided for small taxes. Therefore, the gaming business market was viewed by investors as quite promising. As a result, the first licenses were issued already in 2021, and the legal market began to take shape.

However, the full-scale war unleashed by the enemy on the Ukrainian territory adjusted the economic attractiveness of the state. It is well known that war never contributes to the investment attractiveness of any business. However, the gambling business is a certain exception, since it is not a classic type of business, and therefore does not obey the classic laws of economic activity and the development of the market for production or services.

Undoubtedly, the war forced the owners of land-based gambling establishments, which were mainly aimed at tourists, to suspend or even close their operations. Of course, the consequences of military operations have affected business in Ukraine, because the closure of airspace, the reduction in the number of tourists, and the introduction of a curfew do not contribute to the normal operation of gambling establishments.

However, the online gambling business was not affected. And the gaming business market is characterized by a constant growth of volumes and tax deductions, and therefore remains interesting for investors.

And after the war ends, we hope that gaming market can be interesting for the development of related industries, in particular, the construction of hotels, restaurants, entertainment centers, etc.

The experience of many countries shows that the legalization of gambling business under the conditions of a licensing procedure and simple legislation contributed to the preservation, development and development of individual countries or regions. Thus, Monaco, Macau, Las Vegas chose the path of permissiveness of gambling establishments and became large gambling centers. The casino industry in Monaco (Monte-Carlo) saved a small state, which was completely dependent on France, from bankruptcy in the 19th century. The casino industry now brings Monaco up to 90% of all income (Pohoretskyi & Toporetska, 2014, p. 47).

In the modern world, no developed country has such military experience: more than 1000 days of sustained resistance to the enemy, supported by dictators with the latest weapons. But being at war for a long time, Ukraine is very dependent on military and financial assistance from the whole world. Therefore, today our country must think about how, after defeating the enemy, to keep the economy of our state as stable as our country is in military resistance to the enemy. Therefore, it is necessary to assess the investment potential of our country to be able to offer potential investors ways to invest in the economy of Ukraine during the period of post-war recovery and reconstruction. The gambling business has always been and remains an attractive market for investment. It is very important now to show the potential of this market to potential investors and the benefits for the state from investing in this area.

The purpose of this article is to study, compare and analyze the Ukrainian legislation, which regulates the organization and conduct of gambling, economic evaluation of the gambling business market in Ukraine in war conditions, calculation of costs and benefits from deciding to engage in gambling business in Ukraine.

The object of this study is the legislation of Ukraine, which regulates the gambling business, the tax legislation of Ukraine, which determines the features of taxation of various types of gambling business, gambling business market, economic and organizational indicators of the gambling business market in Ukraine during the war.

Based on the specified purpose of this article above, the authors tried to decide such tasks:

- 1) Evaluate the economic indicators of the gaming business market in Ukraine;
- 2) Provide calculations of official costs for starting a business in Ukraine (license payments);
- 3) Evaluate the tax system of Ukraine in relation to the gambling business as the benefits of conducting such business;
- 4) Assess the military risks of doing business in Ukraine in relation to the gambling business.

This article is the first scientific study in Ukraine of the investment attractiveness of the gaming business market in the conditions of war, in which the authors tried to calculate and evaluate the costs and benefits that an investor can receive from investing in this type of activity. The authors hope that this study will be an incentive for foreign investors to decide to invest in Ukraine.

## Literature review

There are no Ukrainian scientific works about assessment the investment attractiveness of legal licensed gambling. New scientific articles or PhD dissertation are devoted to administrative or legal regulation of gambling or lotteries. For instance, K. V. Profatilo considered the issue of the administrative and legal basis of CRGL activity (Profatilo, 2023, p. 144), O. D. Kostyuchenko drew attention to the mechanisms of state regulation of the gambling market in Ukraine (Kostyuchenko, 2024, p. 240, these works are important for understanding the instruments of state influence on the gambling market and O. M. Lyskov devoted his work to researching the lottery market (Lyskov, 2016, p. 47). Lotteries in most countries are classified as gambling, and therefore this market is also interesting for investors. Currently, Ukraine is expected to make changes to lottery legislation, which will open the lottery market to foreign investors, and therefore the investment attractiveness of the lottery market is promising for further scientific research.

A very important basis for this study is the experience of foreign countries regarding the model of organizing the gambling market, as well as which models are more successful not only for investors, but primarily for the state and society. O. M. Muzychuk, O. P. Hetmanets studied the foreign experience of regulating the gambling market (Muzychuk & Hetmanets, 2023, p. 113), D. G. Mulyavka studied the issue of harmonization of the legislation of Ukraine and the legislation of the EU in the matter of legal regulation of the gaming business market (Mulyavka, 2016, p. 62), I. V. Sergiyenko, I. Yu. Fomin and R. B. Khorolsky studied European experience (Sergiyenko, Fomin & Khorolsky, 2015, p. 67). All these studies show us how the gambling market can be organized after the war, but none of them analyzes the impact of the war on the development of the gambling market, the problems that arise in connection with hostilities, and their impact on investment attractiveness.

When exploring the future, one cannot forget about the past as a basis for further development, therefore it is very important to study the domestic experience and history of regulating the gambling market, in this part there are some important works: E. Yu. Lukash and B. M. Burlakov studied gambling experience in Ukraine (Lukash & Burlakov, 2020, p. 265). A. A. Bazhenova investigated the licensing of gambling and lotteries in Ukraine (Bazhenova, 2017, p. 100). Z. M. Toporetska considers public management of gambling, but she didn't pay attention to its attractive investment (Toporetska, 2022).

One of the main problems of the functioning of the legal gambling business remains the existence of the illegal gambling business, because the greater the prevalence of the illegal business, the less attractive the legal gambling business is for investors. In addition, the illegal gambling business causes serious harm to players in the form of gambling addiction and negatively affects the mood of society, which often leads to its radical ban in the state (which was the case in Ukraine in 2009). Therefore, when assessing the attractiveness of investment in the gambling market, it is important to pay attention to the state of the fight against the illegal gambling business and the tools to protect society and players from the negative impact of gambling. Some works are devoted to the fight against illegal gaming business and protection of players' rights. They are detrimental to this article, as the prevalence of illegal gambling greatly affects the attractive investment of legal gambling. For example, N. A. Luhina, A. Kitun considered a person's gaming addiction in the context of recognizing him as a victim of the crime of engaging in the gambling business (Luhina & Kitun, 2019, p. 137). Z. M. Toporetska proposed to single out the identity of the victim in the contribution of the forensic characteristics of employment in the gambling business, if it is classified as a crime against public order and morality, and not as a crime in the field of economic activity (Toporetska, 2011, p. 112). N. O. Petrychko also considers it necessary to consider the victim of the gambling business (Petrychko, 2010, p. 104), M. M. Pogoretskyi and N. V. Nestor again raised the issue of the need to ensure the protection of the player's rights in illegal gambling and the impracticality of bringing him to administrative responsibility for participating in illegal gambling (Pogoretskyi & Nestor 2024, p. 279). M. A. Pohoretskyi and Z. M. Toporetska consider the investigation of gambling and focused attention on effective ways of combating the illegal gambling business, especially in the context of organized crime (Pohoretskyi & Toporetska, 2015, p. 250).

V. M. Vazhynskyi considered the issue of the activities of institutional investors in Ukraine, where he partially considered the issue of protecting public interests when investing in harmful activities, such as the production of alcohol, tobacco, gambling (Vazhynskyi, 2024, p. 218).

However, currently there are no special Ukrainian works about the assessment of the investment attractiveness of the gaming business market in Ukraine, both in war conditions and later in the period of post-war recovery and reconstruction.

## Methodology

A method of comparative analysis to study scientific works that are devoted to various aspects of legal regulation of gambling business and to highlight the main problems that stop the investor today in making investment decisions. The comparative-legal method was used for establishment of legal grounds and legal mechanisms for organizing and conducting gambling in Ukraine, payment of license fees, payment of taxes, fulfillment of other requirements that require the expenditure of the investor's funds. Hermeneutic method allowed to study the requirements of regulatory acts (codes and laws) that set mandatory license payments and the gaming business taxation system in Ukraine. These methods were chosen by the authors as the key methods, which allowed them to study the norms of Ukrainian legislation, which are the legal basis for

organizing and conducting a gambling business, and subsequently, using other methods, to evaluate the market in terms of positives or negatives for potential investors.

A method of system analysis provided a systematic view of the costs that arise at the time of organizing a gambling business (licensing and capital expenditures), the costs that arise during its operation (taxation and mandatory regular payments) and the system of military risks that arise for different types of gambling business (land based and online). The method of systems analysis allowed the authors to provide substantiated comprehensive conclusions considering the system of factors that influence the investment attractiveness of the gambling market.

Formal and logical (synthesis, analysis, deduction, analogy) methods were used to formulate final research conclusions and provide proposals for potential investors and the government. Thus, the analysis method allowed decompose the gambling market into separate parts (land-based business and online business), as well as into separate licensed types of activities, which ensured the complexity of the scientific research. The synthesis method ensured the study of the object of research in its integrity, in the unified and interconnectedness of its parts and allowed to ensure the comprehensiveness and objectivity of the scientific research. The deduction method ensured the formulation of conclusions from the general analysis of market indicators to specific proposals for potential investors. The analogy method allowed the authors to show examples of foreign experience in regulating the gambling market and, by analogy, apply individual proposals to the Ukrainian market.

Economic analysis, absolute and comparative advantages and statistical methods were used by the authors to analyze the benefits and losses of a potential investor from investing in the gambling business and to formulate conclusions about the profitability of the gambling business. These methods ensured the accuracy, correctness, and reliability of the calculations performed by the authors.

The data for the study was obtained from official government sources, data from CRGL reports, official media reports, as well as by researching other scientific sources and authors' works, which are the basis of this study, which ensured the reliability and completeness of the study.

The use of the various methods described above, official state documents and data from official sources, as well as scientific works mentioned in the study in the complex allowed us to ensure compliance with ethical considerations in this study. The authors did not collect and store personal data, and for substantiation used depersonalized data on indicators of gambling market turnover and tax revenues, as well as data from open resources to analyze the structure of the gambling market.

## Results and Discussion

This study has certain limitations, as the gambling market in Ukraine started operating in 2021, so the data study is limited to the period from 2021 to the present, and military risks were assessed for the period from the beginning of the full-scale invasion, 2022, to the present. The authors were also limited to the general statistics on total turnover and total tax revenues received from the tax service upon their requests and were unable to obtain such data for each gambling business organizer to examine revenues by the business sector in more detail.

### Economic indicators of the gaming business market in Ukraine

In 2021, gambling organizers paid 204 million in taxes to the Ukrainian budget.

The total turnover in the gaming business market in 2022 amounted to UAH 14 billion. For the entire year 2022, the amount of taxes on the gambling business amounted to UAH 730.9 million. The incomes of the leaders of the gaming business in Ukraine for 2022 amounted to UAH 1.9 billion.

The total turnover in this area in 2023 increased to UAH 207 billion. For 2023, the gaming business paid UAH 10.4 billion in taxes. The incomes of the leaders of the gaming business in Ukraine for 2023 increased 28 times, to 54.9 billion UAH.

Gambling organizers paid 13,5 billion UAH in taxes to the Ukrainian state budget in nine months of 2024, which is more than 2 times more than in the same period last year.



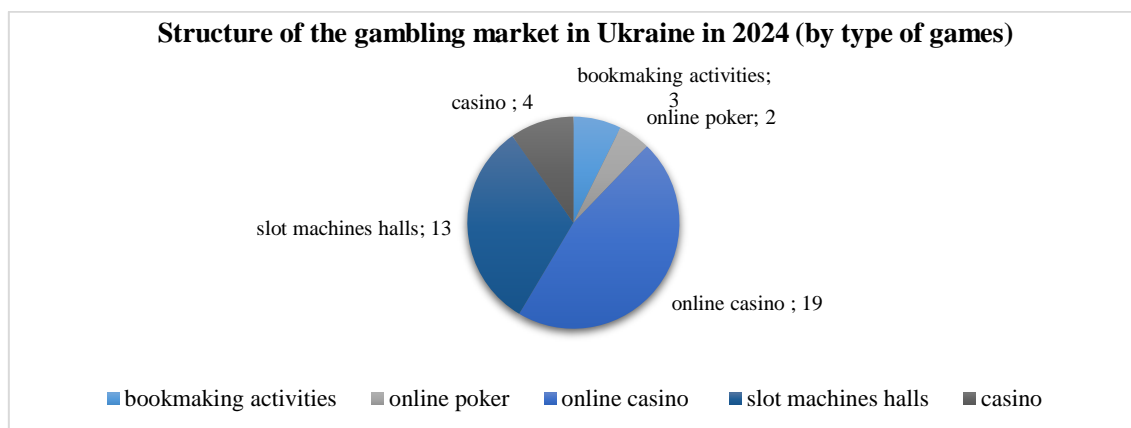
**Table 1.**  
*Tax revenues from gambling operators*

Year	2021	2022	2023	9 months 2024
Revenue, million UAH	204	730,9	10400	13500

Source: Authors requests to the Tax Service of Ukraine.

This shows that the potential of the market does not decrease, despite the military actions. Therefore, the gaming business market can be attractive for investors already today.

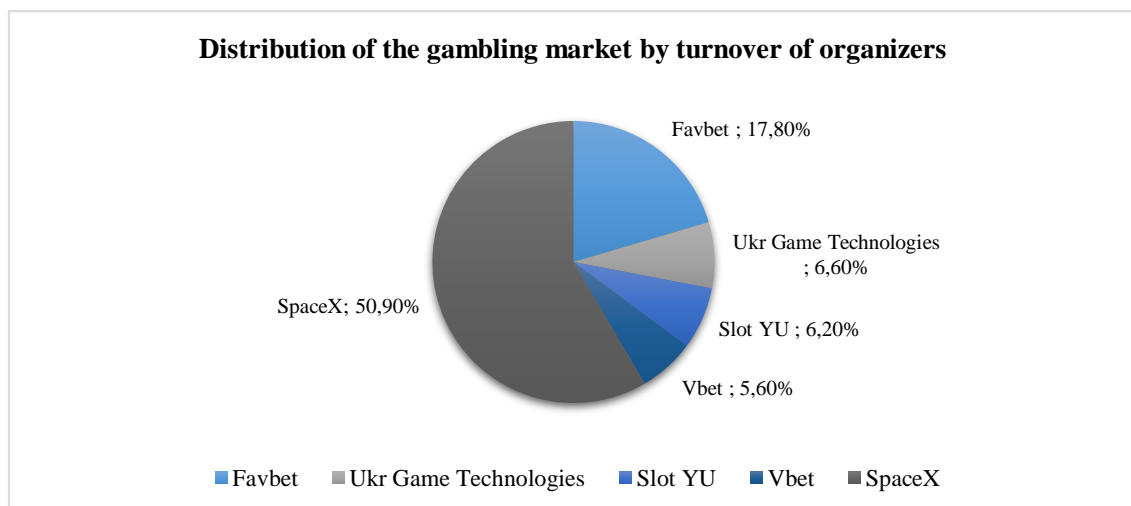
Today, the market is represented by 3 organizers of bookmaking activities, 2 organizers of poker games on the Internet, 19 organizers of casinos on the Internet. As for the terrestrial market, 13 licenses were issued for gaming machine halls (each allows to open to 5 halls) and 4 licenses for terrestrial casinos. With the start of hostilities, many licenses were canceled in connection with the closure of land-based businesses, as well as with the confirmation of the facts of the connections of gambling organizers with the aggressor country (Gambling and Lottery Regulatory Commission, 2024).



**Diagram 1.** Structure of the gambling market in Ukraine in 2024 (by type of games)

Source: Gambling and Lottery Regulatory Commission (2024).

The structure of the market for 2024 looks like this: SpaceX – 50.9% of the market; Favbet – 17.8; Ukr Game Technologies - 6.6%; Slot YU - 6.2%, Vbet - 5.6%. That is, these top-5 organizers occupy 87.1% of the entire gaming business market. All niche organizers occupy less than 5% of the market each (Opendatabot, 2024).



**Diagram 2.** Distribution of the gambling market by turnover of organizers

Source: Opendatabot (2024).

The diagrams show that although quite a few licenses have been issued for various types of gambling businesses, the market is concentrated in the hands of a few companies, so the market is not oversaturated and there is potential for new players to enter the market. In addition, the constant increase in organizers' turnover and the increase in tax revenues from this type of business indicates the economic potential of the market even in the absence of tourists in Ukraine, and therefore, after the end of the war, the market volumes will continue to grow. Since the law does not set a maximum number of licenses, the potential for expanding the gaming business market remains quite high.

### **Official costs for starting a business in Ukraine (license fees)**

Law No. 768 stipulates that all organizers of gambling games must obtain a license for a certain type of activity, and for land-based establishments - also for gaming equipment. All licenses for the organization and conduct of certain types of gambling, for which the state has set a fee, are issued for 5 years (Law No 768-IX, 2020).

Bookmaking activity: the cost of the license is the equivalent of about 3 million euros per year (before the commissioning of the State Online Monitoring System (SOMS). Then it will be about 1 million euros. In addition, for each land-based bookmaker point in the event of its opening) it is necessary to pay about 5 thousand euros per year.

Poker on the Internet: the cost of a license is about 160,000 euros per year. Internet casino: the cost of the license is about 660,000 euros every year before the commissioning of SOMS, then it will be about 220,000 euros per year.

Land casino: to open a casino in Kyiv, the cost of a license is equivalent to about 2 million euros per year, for other cities - about 1 million euros per year. In addition, a casino in Kyiv (a city with a population of more than 500,000 people) must have at least 10 gaming tables, including 2 with a roulette wheel, and at least 50 slot machines. All this equipment requires minimum license payments in the amount of about 350,000 euros per year.

Gaming halls: a license for a year is about 250 thousand euros, but it allows you to open 5 gaming halls. At the same time, each hall should have a minimum of 50 machines, and a total of no more than 250 machines. The cost of a license for one gaming machine is about 3,000 euros per year (before SOMS is put into operation).

In neighboring Poland, the cost of a land-based casino license is less than \$500,000. USA per year. In Romania – 115,000 euros per year. for casino. In Croatia, 66,300 euros for one land-based casino. In Bulgaria, 18,000 Euros are charged for processing an application and 18,000 for issuing a license. In Moldova, only gambling tables are placed in casinos. The cost of the license forms the cost of individual licenses according to the number of tables and is about 7,000 euros for a gaming table with roulette and 31,000 euros for other gaming tables (Toporetska, 2023).

As you can see, it is quite difficult for Ukraine to compete with neighboring European countries in terms of the cost of licenses. Therefore, from the point of view of the cost of licenses, the gambling business market is not attractive for investors.

However, separate attention should be paid to the possibility of obtaining free investment licenses, which is likely to be of interest to potential investors. The legislation provides for obtaining a free license for 10 years in two installments: the implementation of separate investment projects for the organization and conduct of casino gambling by decision of the Cabinet of Ministers of Ukraine, or the construction by the applicant of a five-star hotel complex with a room base of at least 200 (two hundred) rooms (in the city of Kyiv) or 150 (one hundred and fifty) rooms (in other cities), and gives the right to organize and conduct gambling games in casino gambling establishments located in such a hotel complex. However, the license is valid from the moment of its receipt, and the construction of a hotel or the implementation of another investment project takes time, therefore, we believe that it is possible to talk about the use of such a license for about 5 years. However, this still allows the investor to "save" 10 million euros in Kyiv and 5 million euros in other cities if they open a land-based casino. Investment licenses may be of interest to investors in the period of post-war reconstruction and reconstruction of cranes, because today the risks of building new facilities are quite high.

### Model of taxation of gaming business

Having adopted the law on the legalization of the gambling business, Ukraine did not adopt the law on reforming the taxation of this market. As a result, the gaming business market is taxed at the rates and according to the model established with the adoption of the Tax Code of Ukraine in 2010, when the gaming business was banned in our country for a year and a half.

Only recently (in August of this year), point changes were made to clarify certain terms in order, as the drafters of the bill said, to improve tax administration and make it impossible for online casinos to avoid paying taxes, although they made things even more confusing. About that later. The most recent changes were made in accordance with Law No. 3325-IX dated August 10, 2023 (Law No. 3325-IX, 2023).

Slot machines must pay: income tax - 10% of revenue; 18% income tax.

At the same time, in accordance with Part 9 of Art. 22 of Law No. 3325-IX in slot machines it is forbidden to set the total winning percentage below 90%. Therefore, a legal organizer of gambling games in slot machine halls must allocate 90% of the proceeds to winnings, and 10% to taxes. That is, money to pay for a license, pay wages to employees, buy gaming equipment, rent premises, etc. The organizer must bring additional. The state forces a legal business to go into the shadows and break the law, because while working legally, the organizer still owes the state money as a license fee. Or, after paying for a license, there is no money left for taxes. Or it is necessary to deceive the player and underestimate the winning percentage.

Other gambling businesses (casinos, online casinos, bookmakers) must pay: 18% income tax, reduced by the amount of winnings paid out, and 18% profit tax.

Taxes on winnings: set at the rate of 18% personal income tax and 1.5% military levy, regardless of the amount of winnings and regardless of the deduction of game expenses. That is, the player, even if he won less than he lost before, pays 19.5% of the taxes on the entire amount. Therefore, today it is more profitable for a player to play illegally, because he does not pay taxes there (Toporetska, Shcherbyna & others, 2024, p.245).

Thus, until the gambling tax reform is carried out, the land-based gambling business will not be profitable for foreign investors. You can expect to invest only in online casino activities and bookmaking activities also on the Internet. However, the reform of the gaming business taxation system can hardly be expected soon, because in the conditions of war the state is looking for money to support its existence and there is a tendency to increase rather than decrease taxes and, accordingly, to expand rather than narrow the tax base.

### Military risks of gambling business in Ukraine

For the gambling business, war is not a favorable event for business development or expansion. We see the following main risks:

- 1) Security risks for land-based gambling establishments, risks of destruction or destruction of establishments. However, land-based gambling establishments continue to operate in the west of our state, which is safer;
- 2) A significant decrease in tourism, which was the main consumer of high-class hotel services and ground casino services. The relationship between tourism and the development of the gambling market was studied in detail in their works by V. Sergiyenko, I. Yu. Fomin and R. B. Khorolsky (Sergiyenko, Fomin & Khorolsky, 2015, p. 67), as well as O. M. Muzychuk, O. P. Hetmanets (Muzychuk & Hetmanets, 2023, p. 113);
- 3) The curfew introduced in Ukraine affects the work schedule of land-based gambling establishments;
- 4) Instability of legislation, risks of prohibition or restriction of business. Although Law No. 768-IX guarantees the "non-deterioration" of the status of gambling organizers, today there is talk of the dangers of gambling for military personnel and additional restrictions are being put in place for conducting this business. This problem has been the subject of almost the greatest attention by Ukrainian scientists in different years, in particular: K. V. Profatilo (Profatilo, 2023, p. 144), O. D. Kostyuchenko (Kostyuchenko, 2024, p. 240), E. Yu. Lukash and B. M. Burlakov (Lukash & Burlakov, 2020, p. 265). A. A. Bazhenova (Bazhenova, 2017, p. 100). Z. M. Toporetska



(Toporetska, 2022). Unfortunately, it exists regardless of the war, but during the period of hostilities it becomes significantly more frequent, since inconsistent regulatory and legal acts are adopted very quickly and thoughtlessly, both regarding the regulation of the gambling market (restrictions on advertising, restrictions on the rules of the game), and regarding the taxation of business activities in general (currently we are talking about increasing taxes for almost all types of business), which will lead to an increase in the price of almost all goods and services and, of course, will affect the profitability of the gambling business. Therefore, it is not excluded that, in order to protect society in wartime, legislative changes may be adopted regarding a significant restriction or even a ban on the gambling business;

- 5) Cyber security (Vazhynskyi, Pohoretskyi & others, 2024, p. 77): Law No. 768-IX stipulates that all technical means of online systems of gambling organizers must be located exclusively on the territory of Ukraine, however, Ukraine is constantly exposed to various cyber-attacks, and therefore there is a rather high risk of leakage of personal data of players and possession of these data by the country – aggressor.

## Conclusions

The gambling business market has always attracted the interest of investors due to its high profitability compared to other types of business. The data obtained and analyzed by the authors on the volume of the gambling market, as well as the volume of tax revenues to the budget of Ukraine, indicate that even during the war, the gaming business market in Ukraine shows constant growth.

At the same time, there are risks that make it difficult to attract foreign investment in the gaming business. First, this is a significantly overestimated cost of licenses for the organization and conduct of gambling compared to neighboring countries, Ukraine has one of the highest license fee rates. The indicators of the cost of a license in Ukraine and neighboring countries analyzed by the authors indicate that the inflated cost of a license may be an obstacle for potential investors to decide to start a business in Ukraine, rather than, for example, in Bulgaria, Moldova, or Poland. However, there is an opportunity to obtain free investment licenses, which may be of interest to potential investors after the end of hostilities. However, the downside is that in Ukraine this possibility is only provided for in legislation. In practice, it has never been implemented, so an investor may encounter difficulties in obtaining such a license.

A serious obstacle for investors is the imperfect system of gambling business taxation, which leads to the spread of illegal gambling business in the country. You should not expect an improvement in the tax model for the gaming business in wartime, because the state's priority is to increase tax revenues. However, we consider further scientific research on the relationship between the tax rate and the volume of gambling markets, as well as how tax increases affect the development of the illegal gambling market and investment activity in the market, to be promising, because only thorough scientific research in the future will allow us to influence the opinions of those who make decisions in the state.

The authors have defined clear security risks associated with hostilities that deter investors: the risk of destruction or damage to gambling establishments, reduced tourism, curfews, cyber security, unstable government policies, and frequent changes to martial law.

Therefore, today, only the organization and conduct of gambling games on the Internet can be a promising direction of investment. After the end of hostilities, we expect that the implementation of investment projects and obtaining free investment licenses will become attractive for investment.

We consider the investment attractiveness of the lottery market in Ukraine to be a promising area for further scientific research, as a bill is currently being considered in parliament, which is planned to open the market to foreign lottery operators. In addition, the possibility of holding interstate lotteries, which are very popular and successful in the world, as they bring more profits than national lotteries, has not yet been realized in Ukraine.

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