

# **Gambling and the National Accounts**

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## **Paper Abstract:**

“This isn’t betting. This is bookmaking. And that’s where our Trading team comes in. A big day on the trading floor creates an atmosphere to rival any stock exchange in the world.”

Recruitment advert for UK bookmaker Ladbrokes.

This paper considers how gambling transactions (wagers) and the institutional units involved (gaming institutions) should best be recorded in the National Accounts. The paper identifies errors, inconsistencies and oversimplifications in the current System of National Accounts 2008 treatment and offers a new treatment. This new treatment proposes that wagers are inherently financial rather than non-financial, that gaming institutions are financial institutions rather than non-financial institutions and that purely speculative transactions such as those involved in directly creating a wager have no associated output. The analysis underpinning these proposals develops research undertaken by the International Accounting Standards Board in a review of how wagers should be recorded in commercial accountancy.