

Prediction markets: Forecasting in name, gambling in function regulatory considerations for Türkiye

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Introduction

Promoted as tools of collective intelligence, commercial prediction markets (PMs) increasingly resemble gambling products in both structure and user experience. As these platforms become accessible to Turkish users, it is important to clarify how existing law applies and what a proportionate public-health response might look like.

For decades, PMs functioned as relatively small, capped, and largely academic forecasting tools whose aggregated predictions sometimes outperformed polls and expert judgments. When carefully designed, such markets can still provide valuable information for decision-making. More recently, however, the label has been adopted by commercial, crypto-enabled, mobile platforms optimized more for engagement than for forecasting accuracy. By late 2025, these platforms were reportedly processing more than \$2 billion in weekly transactions (Packin & Rabinovitz, 2026).

This development may be particularly relevant for Türkiye. According to recent national data, approximately 6.8 million individuals aged 15 years and older reported gambling participation in 2025, while illegal online betting through smartphones has become increasingly common (Green Crescent, 2025; Kavla et al., 2026). Given the rapid growth of digital gambling-related activities, interest in PMs may likewise increase among Turkish users. This raises a practical question for clinicians and policymakers: where, along the spectrum from investment to gambling, do these products sit, and how should existing rules apply? This commentary argues that although PMs may retain legitimate forecasting functions, sports-related event contracts share important functional similarities with betting products and may therefore warrant scrutiny under Türkiye's existing betting legislation and public-health framework.

What They Are, and How They Work

PMs sell contracts tied to the outcome of future events. Typically, users purchase binary "yes/no" contracts whose price is interpreted as the implied probability of an event occurring. A contract trading at \$0.60, for example, implies approximately a 60% probability and pays \$1 if the event occurs and nothing otherwise (Beylin, 2026; Johnson & Chan, 2026).

On platforms such as Polymarket and Kalshi, almost any event can become a tradable contract, including elections, geopolitical developments, climate events, sporting competitions, and entertainment outcomes. Market prices are frequently presented as expressions of collective intelligence or the "wisdom of crowds." Yet these prices may not merely reflect expectations; they can also shape them, functioning as focal points for voters, donors, journalists, and investors (Kalshi, n.d.; Nechepurenko, 2026; Polymarket, n.d.).

The relevance of these platforms to Türkiye is no longer hypothetical. Following qualification for the 2026 FIFA World Cup, active contracts emerged on Türkiye's performance in the tournament, including predictions regarding group outcomes, elimination stages, and individual match results. Beyond football, additional markets involving Turkish sporting events and domestic competitions are readily available. In practice, Turkish residents can already stake real money on outcomes involving their national teams and sporting competitions through globally accessible platforms.

Why They Resemble Gambling

Direct evidence regarding the population-level harms of PMs remains limited. Accordingly, the comparison with gambling should be viewed as a precautionary and hypothesis-generating framework rather than a settled empirical conclusion. Nevertheless, similarities can be observed at three

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levels: structural characteristics, behavioral engagement patterns, and platform design features.

Structurally, many prediction-market contracts closely resemble wagers. Users stake money on uncertain future events and receive either a payout or a loss depending on the outcome. From the participant's perspective, the experience often resembles betting more than investing, particularly when contracts relate to sports, politics, or entertainment rather than economic risk management.

Behaviorally, many platforms facilitate continuous participation through round-the-clock access, rapid market resolution, and low barriers to entry. These characteristics may encourage repeated engagement and loss-chasing behaviors similar to those observed in online gambling environments (Johnson & Chan, 2026). Evidence from Türkiye reinforces this concern: *University students demonstrate a significant involvement in online gambling, with the majority engaging in these activities regularly, often daily or several times a week* (Gezgin et al., 2025).

At the design level, some platforms incorporate features commonly associated with high-intensity gambling products, including countdown timers, leaderboards, streak bonuses, push notifications, and gamified interfaces. The replacement of terms such as "betting" with "forecasting" or "event trading" may further reduce perceived risk and stigma, potentially delaying recognition of problematic involvement (Packin & Rabinovitz, 2026). Moreover, evidence suggests that returns on many contracts may be negative after fees, challenging claims that these products should primarily be viewed as investment vehicles (Packin et al., 2026).

Supporters of PMs offer important counterarguments. They emphasize that such markets can aggregate dispersed information, improve forecasting accuracy, and contribute to decision-making in areas ranging from business planning to public policy. Unlike conventional gambling products, PMs may attract participants motivated by information and analysis rather than entertainment alone. These potential benefits should not be dismissed. Indeed, PMs have demonstrated forecasting value in some academic and institutional settings. However, concerns arise when commercial platforms increasingly emphasize speculative participation, continuous engagement, and event categories that bear little relationship to economic risk management. Under these circumstances, the distinction between forecasting and wagering becomes less clear from a public-health perspective.

The International Picture: A Spectrum of Responses

Jurisdictions have responded to PMs in markedly different ways. The United States has generally adopted a more permissive approach. Event contracts have often been treated as derivatives subject to oversight by the Commodity Futures Trading Commission rather than as gambling products regulated under state betting laws. This approach has generated ongoing legal disputes and regulatory uncertainty

regarding the appropriate boundaries of federal and state authority (Beylin, 2026; Johnson & Chan, 2026; Packin et al., 2026).

Brazil adopted a substantially different position. In 2026, authorities prohibited derivatives tied to non-economic events such as sports, politics, and entertainment. Regulators concluded that, regardless of terminology, these products functioned as forms of unauthorized fixed-odds betting. Consumer protection and the prevention of household over-indebtedness were cited as key justifications, while traditional financial derivatives remained unaffected (Conselho Monetário Nacional, 2026; Secretaria de Prêmios e Apostas, 2026).

These contrasting approaches illustrate a broader policy choice. Governments must decide whether PMs should primarily be understood as financial instruments requiring market regulation or as gambling-like products requiring consumer-protection and public-health safeguards.

Türkiye: Legal Considerations and Policy Implications

Although a definitive legal determination rests with competent authorities and ultimately the courts, sports-related PMs appear to satisfy several functional elements of fixed-odds betting under the current Turkish regulatory framework. Existing legislation broadly defines betting activities as predicting the outcomes of sporting competitions and awarding monetary returns to successful predictions (Spor Müsabakalarına Dayalı Sabit İhtimalli ve Müşterek Bahis Oyunlarının, 2008).

Sports betting activities in Türkiye are subject to the exclusive authorization and supervision of the Directorate of Spor Toto Organization. Consequently, platforms that accept financial stakes and provide monetary returns linked to sports outcomes may plausibly fall within the scope of unauthorized betting activities under existing legislation (Bakanlıklara Bağlı, İlgili, İlişkili Kurum ve Kuruluşlar ile Diğer Kurum ve Kuruluşların, 2018).

Although PMs differ conceptually from conventional gambling by emphasizing information aggregation and probability estimation, regulators may reasonably focus on their functional characteristics rather than their stated purpose. From this perspective, the existence of financial stakes and outcome-dependent rewards may be more relevant than whether the platform describes itself as a forecasting tool, financial product, or betting service.

The key policy question may therefore be less whether PMs should be permitted or prohibited and more how they should be classified and regulated within the existing legal framework. Clarification regarding the legal status of event-contract platforms could provide greater certainty for regulators, operators, and consumers alike. At the same time, policymakers may wish to distinguish contracts linked to sporting and other non-economic events from financial

instruments that serve legitimate hedging functions. Effective oversight may also require attention to cryptocurrency-based payment mechanisms, online promotion, and cross-border accessibility.

Conclusion

PMs sit at a genuine crossroads. When appropriately designed and bounded, they can aggregate information of real value. Yet their contemporary commercial form increasingly blurs the distinction between forecasting and betting. International experience now spans both permissive and restrictive regulatory models, demonstrating that policymakers are not faced with a binary choice between unrestricted access and outright prohibition.

For Türkiye, a proportionate response may begin with legal clarification regarding the status of event-contract platforms under existing betting legislation. Additional measures could include age-verification requirements, restrictions on marketing directed toward young people, monitoring of cryptocurrency-based payment channels, and surveillance systems capable of detecting emerging gambling-related harms. Such interventions would not necessarily preclude legitimate forecasting applications but could help mitigate foreseeable risks.

Much of the necessary legal foundation already exists. The principal challenge is not the creation of entirely new legislation but the consistent application of existing legal and public-health principles to an evolving digital environment. Such an approach would help protect a young and highly connected population while preserving space for genuine financial and technological innovation.

Data availability statement

Data sharing is not applicable to this article as no new datasets were generated or analyzed during this study.

Conflict of interest

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