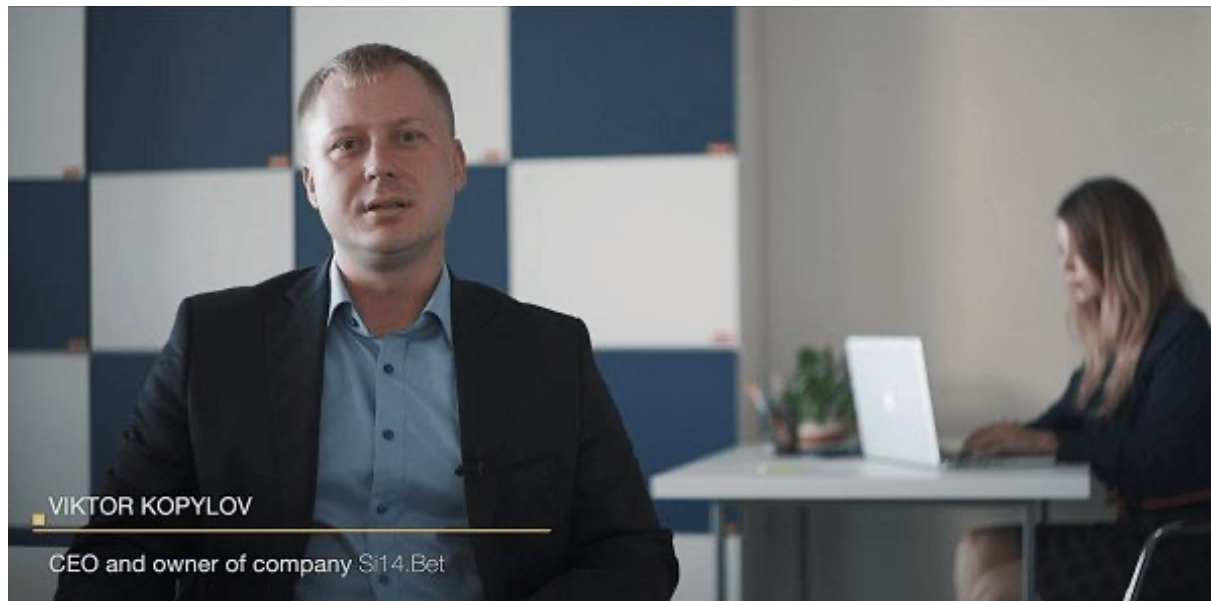


# Say Hello to Si14 – A betting Exchange to Rival Betfair

## We can provide hedging services to bookmakers

A resident of Russia's Novosibirsk is launching an exchange to rival the giant, Betfair. Si14 CEO **Viktor Kopylov**, along with his parents, are preparing to launch a betting exchange. He wants to allow the arbitrage bettors to work without being blocked and without their stake amounts being limited. In this interview you are going to get to know what the difference is between this new betting exchange and Betfair, and what the Viktor's company has to offer the bookmakers.



## *The betting market is inefficient*

**Hi Viktor, tell us a little bit about yourself, please. How did you start your career?**

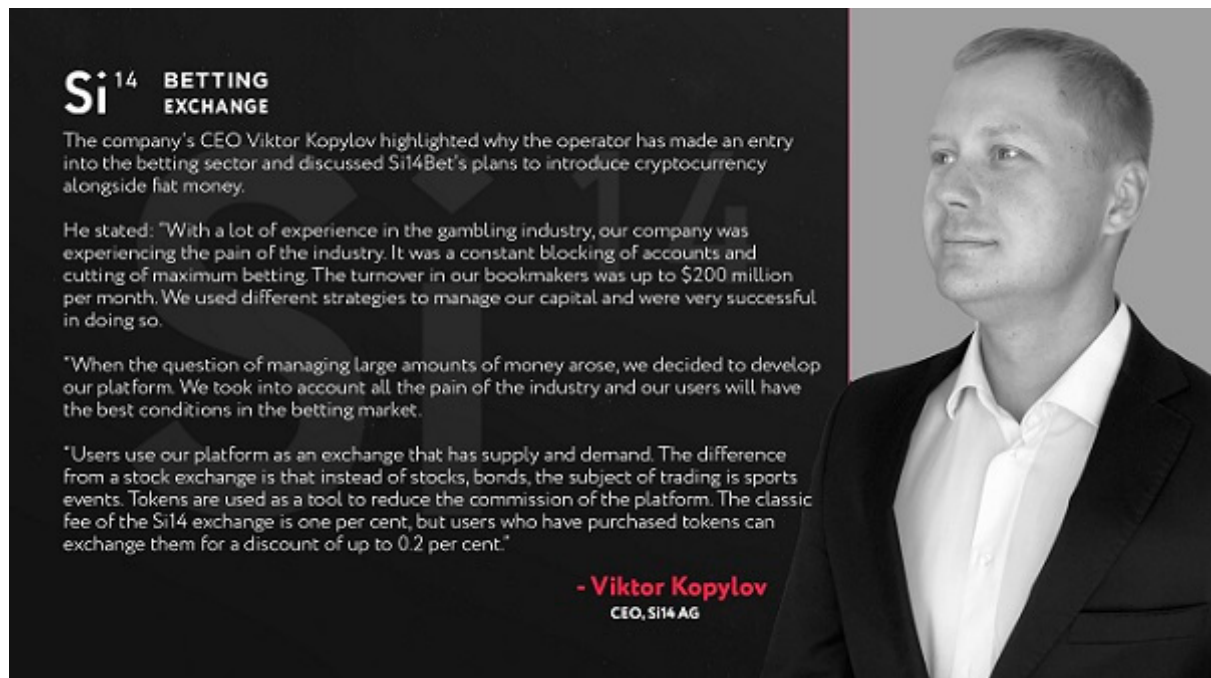
“I studied at the University of Novosibirsk, in the PR-technologies faculty. My first degree is in economics and management. The next degree I got was in NLP and psychology. After that I started to build my career. I worked in BSGV bank (now named Rosbank), eventually becoming the head of the corporate sector there.”

“Then I worked as a financial analyst in ‘BrokerCreditService’ which was a pretty serious local company. I studied and worked there for more than three years. After that I decided to continue my career in New York, so I left for the USA to study how to manage hedge funds. After having got CFA status I launched my own investment fund back in Novosibirsk. It was named Si14. **This is named after Silicon**, which is the most solid element in the periodic table.”

**What did you do when you first returned to Novosibirsk?**

“We worked with Forex brokers providing trust management solutions. The main areas of work were automated trade systems, searching for arbitrage situations, and working with big data. Si14 searched for the key triggers between efficient and inefficient markets.”

“I’d like to explain the difference. We were searching for broker companies’ mistakes (and we found a lot) and were analyzing big data and the way arbitrage situations work on low liquid markets for 7-8 years. The market was getting more efficient over time, arbitrage situations on the Forex market disappeared. So my partners and I started to explore inefficient markets. We chose binary options first but when we discovered that the market was unregulated we quickly left it. The next avenue we tried was the sports betting market. That’s where we found what we’d been searching for – **an inefficient market where automated trade systems could be applied**. So we then started working efficiently on the inefficient market for the next five years.”



**Si<sup>14</sup> BETTING EXCHANGE**

The company's CEO Viktor Kopylov highlighted why the operator has made an entry into the betting sector and discussed Si14Bet's plans to introduce cryptocurrency alongside fiat money.

He stated: "With a lot of experience in the gambling industry, our company was experiencing the pain of the industry. It was a constant blocking of accounts and cutting of maximum betting. The turnover in our bookmakers was up to \$200 million per month. We used different strategies to manage our capital and were very successful in doing so.

"When the question of managing large amounts of money arose, we decided to develop our platform. We took into account all the pain of the industry and our users will have the best conditions in the betting market.

"Users use our platform as an exchange that has supply and demand. The difference from a stock exchange is that instead of stocks, bonds, the subject of trading is sports events. Tokens are used as a tool to reduce the commission of the platform. The classic fee of the Si14 exchange is one per cent, but users who have purchased tokens can exchange them for a discount of up to 0.2 per cent."

**- Viktor Kopylov**  
CEO, Si14 AG

### **Why is the sports betting market inefficient?**

“It’s not a secret that bookmakers work with BetRadar and other similar companies. They provide the lines, the odds, etc, so a bookmaker only needs to deal with the margin, which will be different for different bookmakers. This is what makes the market inefficient by creating an imbalance. This is a headache for the industry, but there’s no way to cancel it, because every bookmaker will have its own policy. That’s why arbitrage betting, and people who make live bets after the goal was scored, and all the others appear. I’d especially like to highlight bonus hunting, which is a separate problem for the bookmakers. I think it deserves another interview that could take several hours.”

### **You said you were looking for arbitrage situations while working in the financial sector. Does that mean you did things that bookmakers ban the users for?**

“Well, in a word, yes. If bookmakers make their lines accurately then they won’t suffer from such things. However due to the fierce rivalry in the market the lines are imbalanced far too often. A bookmaker wants to have odds higher than the rest to attract customers to bet with them rather than their rivals. If customers win at overvalued odds they will be banned, because in this case users take money from the bookmaker. I can’t see an easy way for bookmakers to solve this problem for now. The fierce rivalry in the market will always create an imbalance in the odds.”

### **How did you arrive at betting from the financial area? Did you place bets?**

“Yes, I started to analyze historical data (IBER), then we connected WyScout, InStat Scout, Opta Scouting which are sports teams metrics. Si14 searched and modelled some possible arbitrage situations based on historical data. Then Si14 with partners searched for arbitrage situations

between Betfair and Pinnacle, Betfair and Olimp and other bookmakers. We can do it successfully even today. The problem we face is that it's very hard to work on a large scale and long term because of account bans and stake amount limits."

"We used to earn a lot of money though and started to diversify into the product. We know the industry's problems as we were bettors ourselves. We're developing a betting exchange in the way it's supposed to be in our opinion. We established 1% commission, it's not much. I can say that the cost of service, license and servers (including BetRadar, Betgenius, RTSmunity and so on) takes 0,5%. So, half of the commission goes on running costs, and we can leave the other half of it for the company. This low 1% commission is the main advantage for arbitrage bettors who are a big group of people who are professionals in the sports betting market."

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## ALSO SEE: [List of the top global sports betting websites](#)

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### So, the money you earned by arbitrage betting has become your starting point?

"Yes, it is exactly like this. We launched the company with our own money. We co-financed the project."

### A little thing to clarify. How exactly did you move to Europe?

"You need a lot of money to launch a product such as this. I have had an IPO experience and I'm well-informed about the European investment climate. After several discussions with Si14 partners we decided to start a Ltd company with plans for an IPO. It's much easier to look for finance from institutional investors when your company is transparent. If a transparent company is located in Switzerland it's even better. Si14 is issuing securities now. We have several key investors, who are interested in the product. They know the industry well and understand that we're developing a very marketable product. That's why the idea of locating to Switzerland came to mind."

The screenshot displays the Si14 Bet website interface. At the top, there is a navigation menu with links for COMPANY, PRODUCT, ROAD MAP, TEAM, CONTACT, GUARANTEE, and TOKEN. The main header features the Si14 logo and the text "Si14 SUCCESSFUL BETTING". Below this, the heading "SI14 BET" is followed by the description: "International peer-to-peer sports event betting exchange, allowing player-to-player betting." There are buttons for "Social media" and "Whitepaper". A central announcement box states "ICO SUCCESSFULLY COMPLETED" and includes a green button that says "Purchase a Si14 token. Apply to beta". Below the announcement, there is a "WORK EXPERIENCE" section listing various betting partners: 188BET, 888 sport, BETDAQ, BETVICTOR, bet365, betfair, Ladbrokes, Titanbet, BetHill, PINNACLE, and PADDYPOWER. The website has a dark blue background with white and green text and buttons.

### **Are high taxes a problem?**

“It depends on the tax base and in the canton of Zug (in Switzerland), for example, the tax base is not very high. Besides, we are a multinational: we have companies in New Zealand, Montenegro, Curaçao, Malta, Germany. We have been developing the structure very carefully working with KPMG and Ernst & Young public accountants. We have very strong consultants that have helped us to form a structure that will optimize the Si14 betting exchange tax position. We recommend bookmakers in order to catch the arbitrage betting.”

### **Let's talk about the betting exchange. What kind of a product would you like to present?**

“Well, it's a classical betting exchange to begin with. It's like a stock market with supply and demand, when a buyer and seller meet on price the bet is struck.. There will be only 1% commission charged, in our case charged on a winning bet. This is one of our unique selling points. Our market is both B2B and B2C. We can provide services of hedging positions to bookmakers, when they can't decide their own odds, we become providers of liquidity for the bookmakers.”

“It's a very big project because no one in the world has realized this idea so far. We have a partnership with Macao now, which is a very important gambling financial center. We are negotiating with the Macao casino network 'Dragon Phoenix' on providing liquidity to the Si14 platform.”

### **Let's suppose I'm a bookmaker's CEO. You come to me and explain to me what your B2B product is. What can I get with the help of the product?**

“Look, a user places a bet for an event. He kind of votes 'for' this event. You can buy this 'for' at our betting exchange with more profitable odds, that means hedging positions and get access to an arbitrage situation as a bookmaker. Let's look at Betfair and Pinnacle. There are almost always arbitrage situations on the Betfair betting exchange. It's a paradox. People place bets there, not robots like Sportradar that analyze the line. This is our target market. I guess you as a bookmaker would be interested in hedging your position if it guaranteed you a profit.”

### **In this case a bookmaker acts as a user?**

“Yes, in this case we have software exactly for bookmakers. We are now working on legal framework of licensing this software. The commission rate for bookmakers will be even lower than for users.”

### **Why do you set such low commissions? A bookmaker's margin can be up to 8% or even 10%.**

“I can explain. A betting exchange profits not from margin but from the volume of bets which get matched. We can secure a high volume of matched bets through a low commission rate. The lower we set the percentage the more professional bettors will come to our website. One more reason why Si14 betting exchange will be of interest to bettors is that we don't close markets while an event is continuing live.”

“Imagine a regular user who decides that there's a dangerous attack in a match. He or she decides to place a bet. What problems will be faced? There will be 3 things that can happen after pressing the 'Place a bet' button A) waiting for 5-8 seconds. B) the bet may be calculated with 1.00 odds C) the bet will not be placed. In our case we don't close the market. We receive data from WyScout, Sportradar, other scouts, we have something like a stock market and that means supply and demand we can work with.”



**Am I right thinking that you want bookmakers and bettors to be equal on your platform?**

“Yes, absolutely. This is what we want in the end. When bookmakers, may they forgive me, justify cancelling certain bets or refusing to accept them in the first place, by saying that a regulator demands data on a person, this is not true. We work with the Maltese regulator, the one of Curaçao, and we know the way regulators demand information on a person. It may happen only in the case where the user’s turnover is at least 500,000 US dollars or there’s a suspicion of a match-fixing on a low liquidity market.”

**So, you mean that if someone is a smart person who has an edge in selecting bets, they can earn money on your platform?**

“Yes. There are a lot of strategies that really work. There are many talented analysts. Once I met a group of analysts who calculated variability and events probability theory in their favor. They faced problems just getting bets placed, they’re blocked because they win quite often. The bookmakers don’t need professional bettors so they are not catered for.”

**A person who places bets on a betting exchange should understand finances more than sports, is that true?**

“Exactly. Risk management is an important factor, too. It must be considered.”

## **What are your plans getting started, how will you attract customers to form a self sustaining base of users?**

“There are many arbitrage bettors active today. If we take a look at the market as a whole we see that all the users migrate rather than remain with one bookmaker. A user is likely to be registered in almost every decent bookmaker. A user always looks for a safe haven and also high quality betting conditions. The reason they will leave is often only because many begin to apply maximum bet sizes, accounts banned, and so on. Imagine that no one bans you as a user just because you always win, and that doesn't make you go through the verification process for several additional times. Faced with this what are the odds you'll stay?”

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**ALSO SEE: [List of the top global sports betting websites](#)**

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## **What is the potential volume of your target client base?**

“We have a very precise calculation with research concluded in several countries. I can't say too much specific about our client plan, but I can tell you that now we have more than 300,000 pre-registrations. This is just while we are still beta testing the product. The main Si14's rival is Betfair. They have very high commissions compared to us and they've left a gap in the market for our platform to exploit.”

## **What are your plans on beating such a large rival?**

“We have several unique trade offers. For example, we have automated trade systems where a user can create a robot working on 'if - then' conditions. For example, if there is a goal, then withdraw money. We have developed this product with an intuitive interface on our own. Another unique trade offer we have is introducing all the sports events into MetaTrader together with MetaQuotes. We'll get all the users who work on Forex, CFG and other financial platforms. This is the question of liquidity.”

“We need a lot of financial investment for sure. That's exactly why we've launched the company in Switzerland, to host investment rounds, sell company's shares when we need additional financing to complete updates and upgrades whilst creating the product we really want.”

## **How much do you need for that?**

“The investment to date has been \$19m (US dollars). Some of it has come from personal savings, but we have some key investors as well.”

## **You talk about creating a 'bot', but this is a thing for a lazy person. Don't most bettors prefer placing a bet by pressing a button in an app?**

“The user you talk about won't bring us profit. There are many professional bettors in the market. They're interested in some events and issues around the bookmaker's business and that is who we want.”

## **What do you think is the minimum or average number of bets such clients place?**

“We have calculations that indicate the cost of one user. Broadly speaking one user will cost 128 dollars for us. We anticipate this to be paid back over a period of about six months to a year. This has all been taken into account in our marketing plan.”

**I've seen that the commission customers pay decreases when you buy tokens (your internal currency). Why have you chosen an internal currency?**


“It creates a commodity which we supply. The more popular our platform will become, the more a token will be worth. There are two parties that our company cares about. These are users and investors. In this case we care about the investors. The first thing is to note is that all our investors have tokens as a form of collateral in accordance with the amount of their investment. The second thing is that we invest in Euro obligations by selling tokens. It provides our company with money and will support its liquidity when we decide to go public with an IPO. Tokens are more profitable for us compared to offering exchange rollovers or bonuses. We can't have bonuses at all actually. Mathematically it is just not possible for us to have them. We have a small commission, a fair market, and we don't want to ban anyone.”

**History of creation**

*"Human activity is empty and insignificant when not animated by an idea" – Chernyshevsky N.G.*

**The history of the company begins with an idea**

Working in the gambling market since 2005, our team constantly faced difficulties and, having learned all the "charms" of the betting industry and the obvious injustice towards players, it was decided to create our own product in the sports betting market. Product from players to players.



Viktor Kopylov  
Si14 Betting CEO

We hope this interview has brought you insights that you wouldn't get from anyone else and we wish Viktor the best of luck with his sports betting exchange in the months and years to come. For all updates on Si14 in the near future, stay tuned to [ReadScoops.com](https://ReadScoops.com)!