

Gambling Regulation in Brazil – Local Insights, Steps Forward and Market Impacts

February 9, 2024 // Svilen Madjov



The iGaming industry in Brazil seems to have passed a **pivotal juncture**. The undeniable interest of Brazilian adults for real-money games has led to **public debate** and, finally, a set of **dedicated laws**.

This study makes use of **recent survey** data and reveals the **attitudes** of **actual gamblers** towards gaming regulations. We also analyze said legislative framework and provide iGaming stakeholders with **actionable insights** into the sector's future.

Background and Context

The real-money gaming market in Brazil has always had the challenge to reconcile the **complexity** of **socio-cultural factors** with the reality of **market demand**. And as things stand, the nation still has **imperfect** gambling legislation – fragmented and incomplete, put simply.

While **land-based** (and cruise-ship) casinos remain **prohibited**, the federal government has decided to offer **licensing** to **online casinos** and **sports betting** platforms. Recent developments in that sense have **shaken the market**, both for domestic and global gaming companies, and **raised awareness** levels among Brazilian adults.

December 2023 saw the [enactment](#) of the crucial **Law 14.790/23** which set the stage for regulated **fixed-odds** betting. The Act defines a **wide range** of **real-money gaming** segments and provides essential **standards** for physical, online, sports-themed and other virtual games.

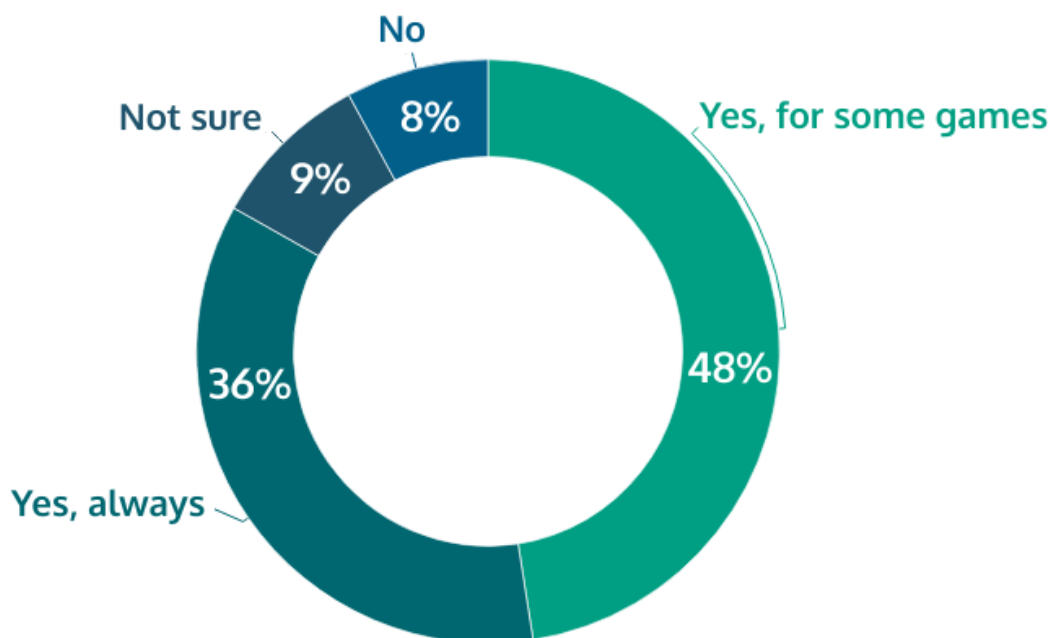
Further down, we will come back to the **coverage** and **effects** of these regulations. First and foremost, however, we need to understand **how** these developments have been **received** and **digested** by the very gaming customers and public at large.

The Players' Viewpoint – Moving in the Right Direction

In **February 2024** we conducted a **field survey** among 627 adult Brazilian real-money players. Essentially, the results reveal a **significant engagement** with the topic among gaming consumers. Upon further segmentation, the data shows a more **nuanced understanding** of and **active interaction** with this kind of entertainment. Most importantly, the questionnaire reveals a **keen interest** in the legal landscape, both for its impact on **end-user options** and the **public interest**.

Sentiment on National Licensing

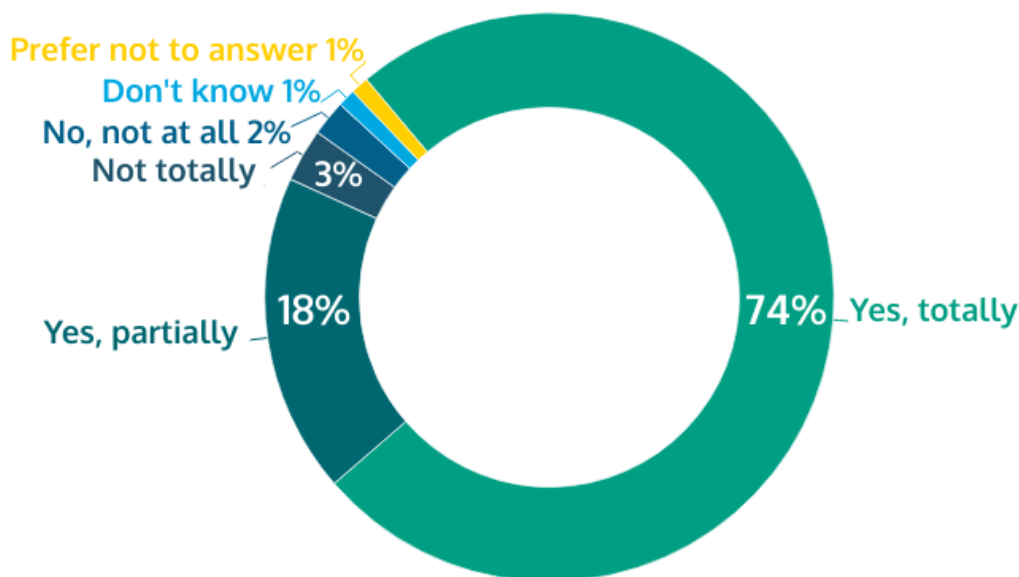
The survey is built upon the very idea of the **need** and projected **effectiveness** of gambling regulations as they have been adopted at this stage.



Is it a good idea for online gambling and betting companies to have a license to operate in Brazil?

When asked if they consider it a **good idea** to have online gambling operators acquire a **Brazilian license**, respondents were quite clear. A **combined 84%** favor licensing for online gambling, showcasing the **broad support** for regulated gaming.

As for the steps taken in that direction, players seem to approve of the direction at least.



Do you agree the government should make clear laws for real-money gaming online?

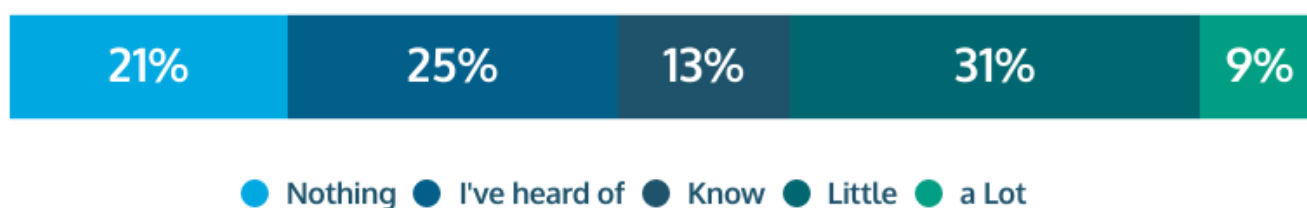
The demand for regulation is unequivocal. A staggering **92%** advocate for **clear online gaming laws**, emphasizing the public expectations on **market transparency** and **safety**.



How important is it to have online gaming companies registered, licensed and paying taxes in Brazil? (Scale 1-5 from "not at all" to "very important")

An overwhelming **87%** regard company registration, **licensing** and **taxation** as **important**. The logic that regulation is instrumental for effective taxation – and therefore wider public benefits – underlines the acceptance of **governmental oversight** of the market and its integrity.

General Public Awareness on Gambling Regulation in Brazil



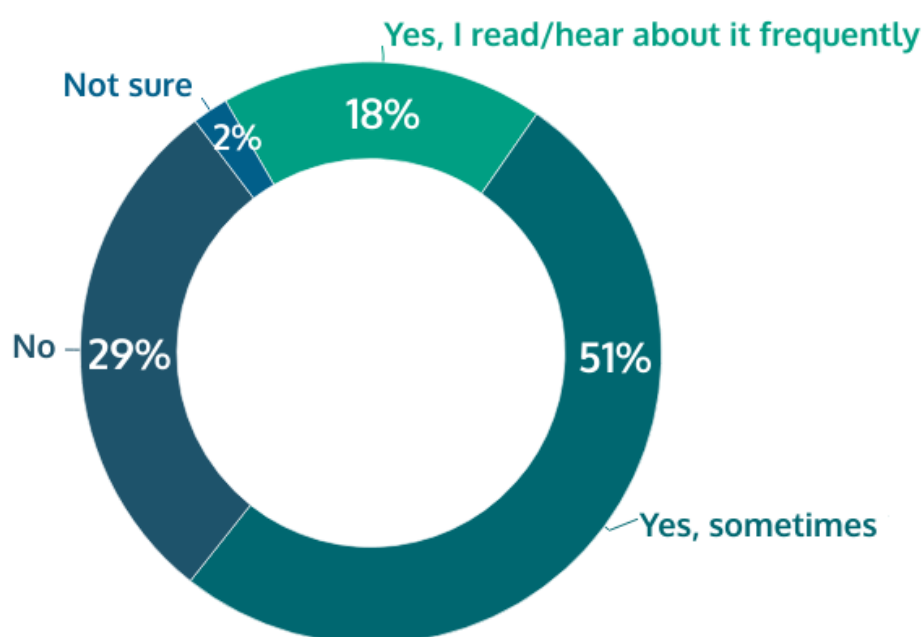
How well do you know the laws on online gaming and betting? (Scale 1-5 from "nothing" to "a lot")

This brings us to assessments on the overall **level of knowledge** among Brazilians, when it comes to gambling laws.

Evidently, the demand and acceptance of gaming regulations do not quite equate to actual familiarity. The **limited law awareness** is seen from the **53%** admitting to moderate or ample knowledge on the issue.

Such levels are probably **expected** and “**physiological**”, given the early adoption stages of a comprehensive gaming regulation in Brazil. Yet, they still indicate a certain need for enhanced education of the public and consumer **awareness campaigns**.

Along the same lines, real-money players were asked whether they usually follow any regulatory updates.



Do you follow news or updates about online gaming regulations?

The **high engagement** levels – **69%** follow gaming regulation news, ranging from occasionally to frequently – confirm the sense of **concern** (or at least curiosity) about where the sector is heading.

Economic and Social Implications of Regulation

Clearly, the surveyed gamers view the new regulatory measures as a **positive turn** of events, even better if they are more **stringent**. Above all, these laws and rules need to be decisive in providing a **safe** and **fair** gaming market, protecting players' interests.

Most adult consumers also know that gaming regulations need to **enable** the **prevention** of **negative social impacts**. (*Explicit questions related to gaming risks are presented below*).

Inevitably, it is also important to evaluate the **consequences** that a legalized gambling sector will have on politically important domains like the **public finances**. In mature and well-regulated markets (e.g., Europe or, more recently, the U.S.), the **economic benefits** of regulated iGaming are widely recognized.

Financial and Job Creation Potential

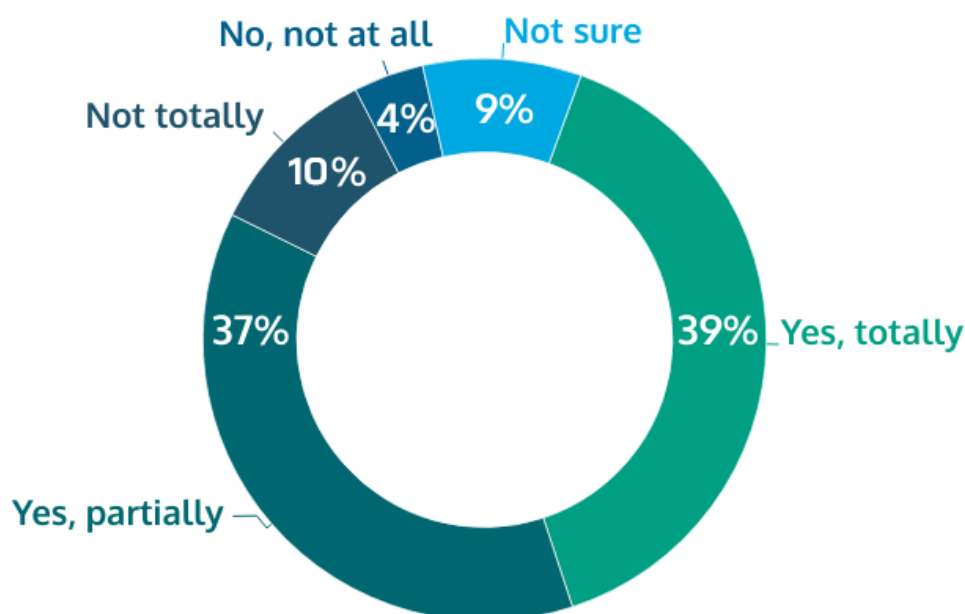
The **economic** and **social implications** of the new gaming regulations are profound. The hopes are that the iGaming industry stands to contribute significantly to **tax revenues** and **employment opportunities**.

Although official estimates (used by legislators when drawing the bills) are hard to come by, Federal Senators [cited figures](#) of around BRL 10 billion annually, in addition to BRL 3-4 billion every five years for licensing fees. That makes up around **USD 2.2 billion** in **annual tax revenues**, excluding **economic spillovers** from supporting business activity.

Moreover, taxation on **player winnings** is also not accounted for. That should practically **double** the projected levies, since most licensed games have a return-to-player ratio (RTP) between 90% and 98% of the sums played and the lucky winners will be taxed at **15%** (compared to operators, at 12%).

Altogether, Brazil can expect tax proceeds of around **USD 4.5 billion every year**, as well as plenty of **employment opportunities** in the iGaming sector.

Most respondents showed adequate understanding of such economic potential.

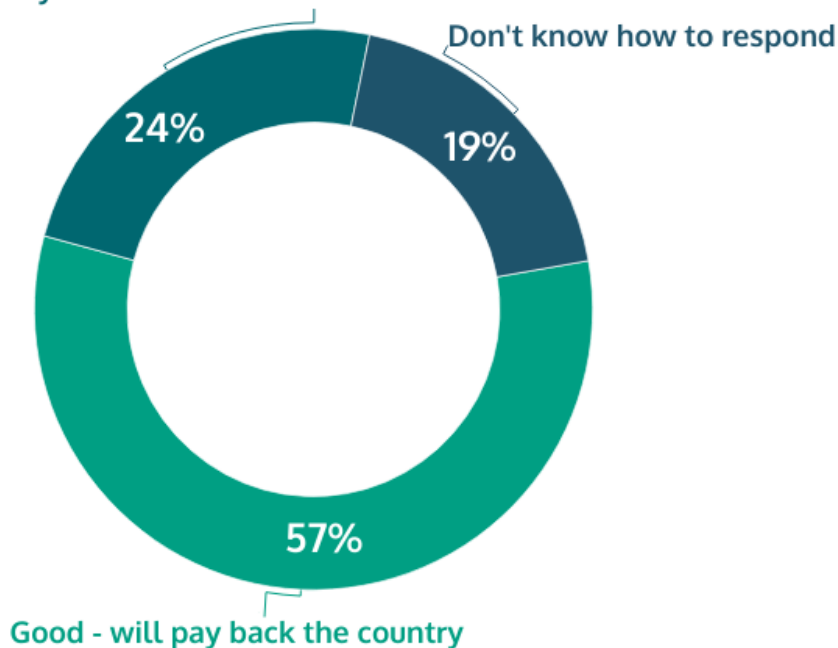


Can regulated iGaming help Brazilian finances (through taxation) and job creation opportunities?

Recognizing the expected economic contribution of the iGaming industry, a combined **76%** believe that it can boost Brazil's **finances** and provide **employment opportunities**.

Taxation levels, on the other hand, reveal more **nuanced** prospects, and the respondents seem to appreciate that as well.

Bad - too many taxes will block investors



What kind of effect will an increase in gambling have on the national finances?

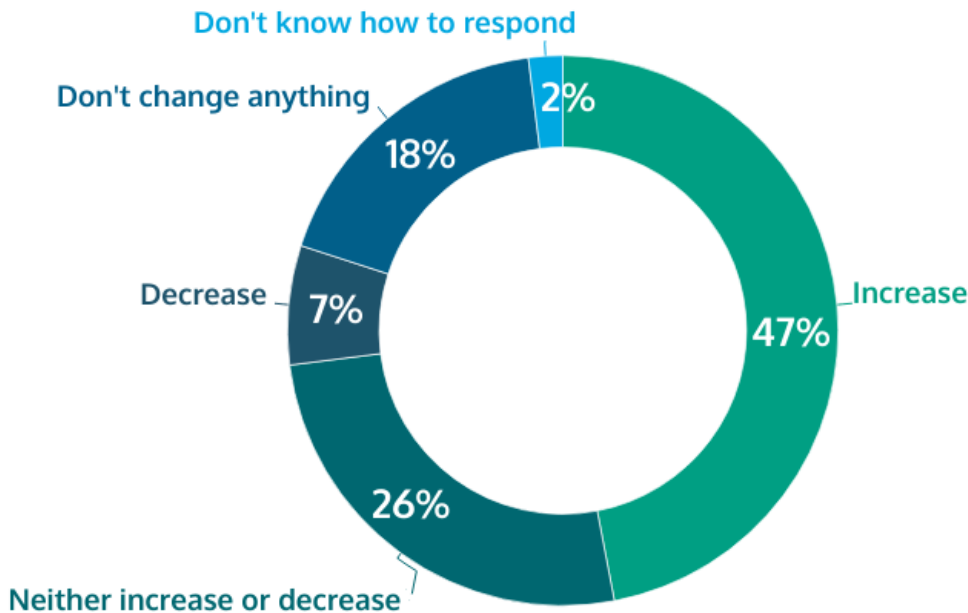
When asked about the impact of taxation levels, **57%** consider **higher** gaming taxes **positively**. In the opinion of the majority, this is a means for companies to contribute more to national welfare.

Interestingly enough, this view is even **more emphatically** supported by **higher-income** households (62% for A and B classes combined), as well as those residing in **State Capitals** (63%).

Still, nearly a quarter (**24%**) fear that increasing taxes to excessive levels might **deter investments**. Effectively, such a scenario might see iGaming businesses (i.e., websites) remain **unlicensed** or simply **registered offshore**.

Consumer Protection and Safety

The survey responses rightly highlight the fundamental role of proper regulation in **combating risky gambling behavior** and ensuring **game integrity**. There is a strong consensus on the importance of setting **requirements** and **mechanisms** that can safeguard consumer interests.

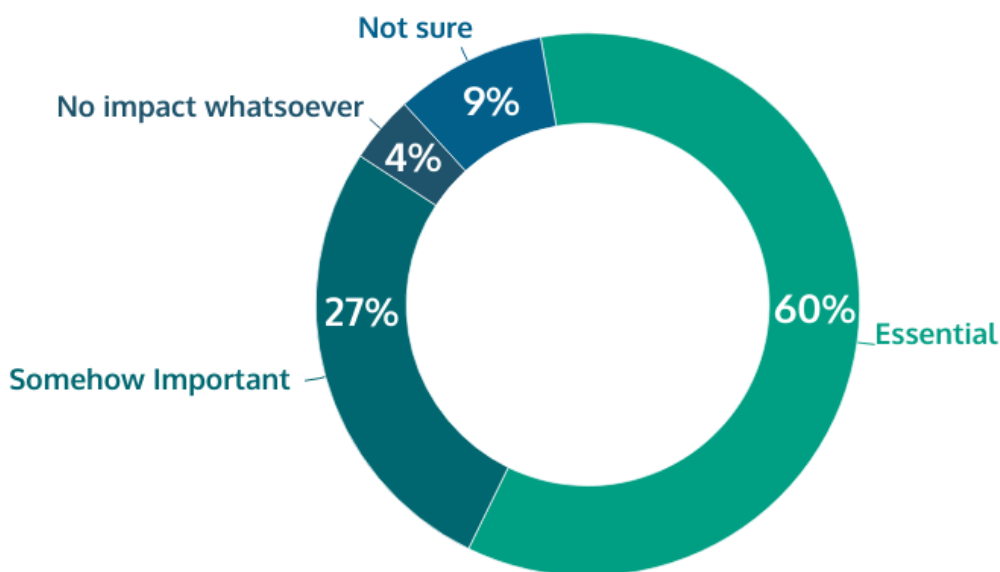


Does the legalization of real-money gaming increase or decrease the risk of addiction?

Concerns about **problem gaming** and **addiction risks** persist among many respondents, regardless of regulation. As much as **47%** even see legalization as "inviting" **more risks**, potentially increasing problem gaming.

Still, that is less than half, while **26%** see regulation as having **neutral** impact in this regard. Possibly not being familiar enough with the new rules, gamers still indicate diverse scenarios and impacts of legalization. For **18%** it would **not change** anything in terms of risk factors, while **7%** agree it would **decrease** them.

Brazilian players are much more **univocal** when asked about prospects of **match fixing** and **money laundering**, undesirable phenomena often attributed to **unregulated** real-money games.



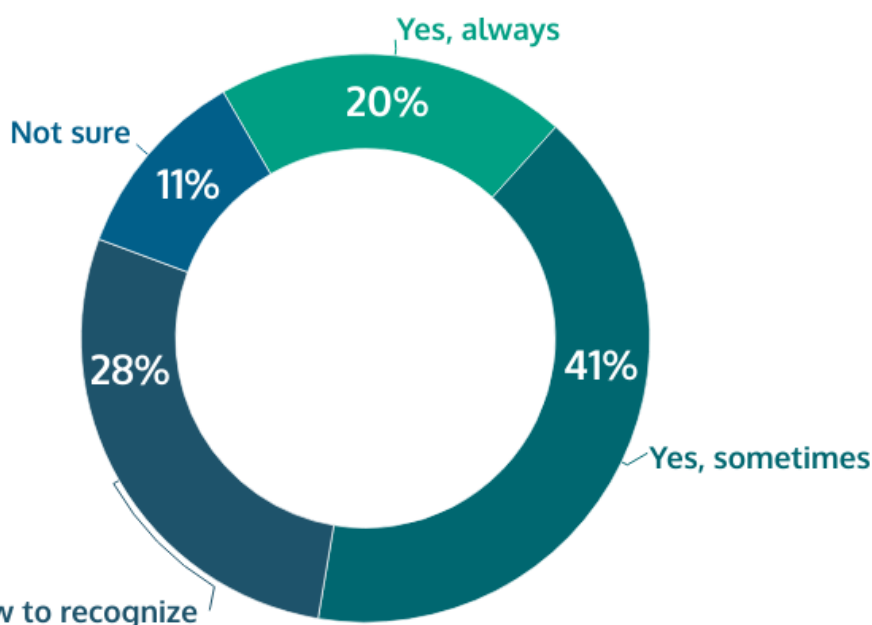
How important is online gaming regulation in preventing match fixing or money laundering?

For **60%** this is an **essential** and appropriate step, and as many as **87%** claim it has certain **importance** in making the market more transparent.

iGaming Safety and Information Security Awareness

The latter aspect leads us to further (and related) consumer protection impacts. For a long time, the absence of a structured gaming regulation has been a bigger issue. Lately, the debate around **sensitive personal** and **financial** effects uncovered some **real-world problems** which may have otherwise remained neglected.

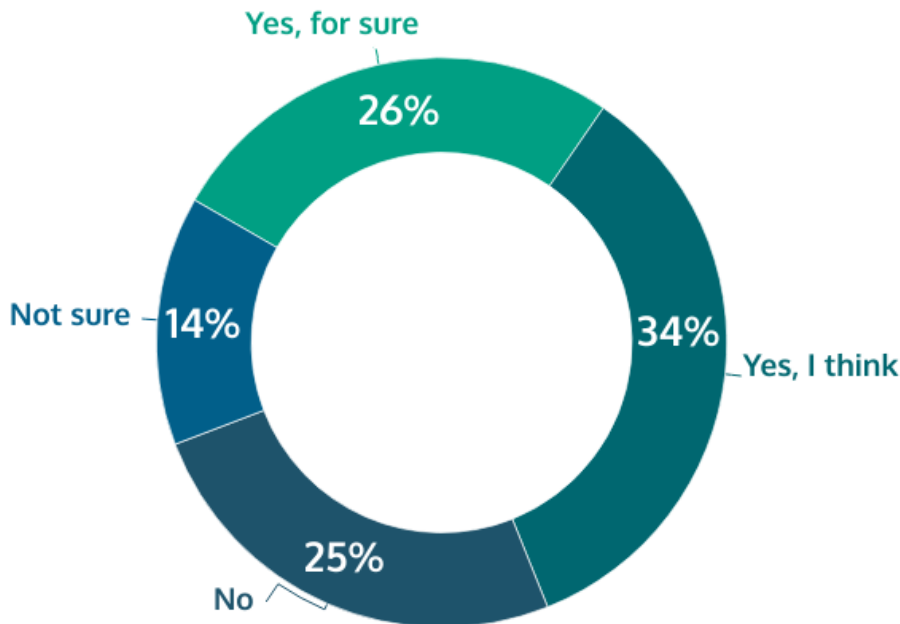
Topics like **online scams** and **cybersecurity threats** raise concerns about **data privacy** and the **vulnerability** of players engaging with **unlicensed** providers.



Can you recognize whether a gaming or betting site is safe or not?

When asked about their ability to **recognize safe gaming** sites – or spot a fraudulent or potentially dangerous one – **61%** claim to be able to do that **sometimes** or **always** (20%). This may seem a satisfactory level, overall, yet only **one in five** are **certain** in their abilities and knowledge about this. And nearly twice as much lack the confidence or skill to spot online gaming scams. The outcome of this question clearly shows the need for increased **digital literacy** on **secure online gambling** practices.

A closely related set of skills is the one required to **protect personal information**.

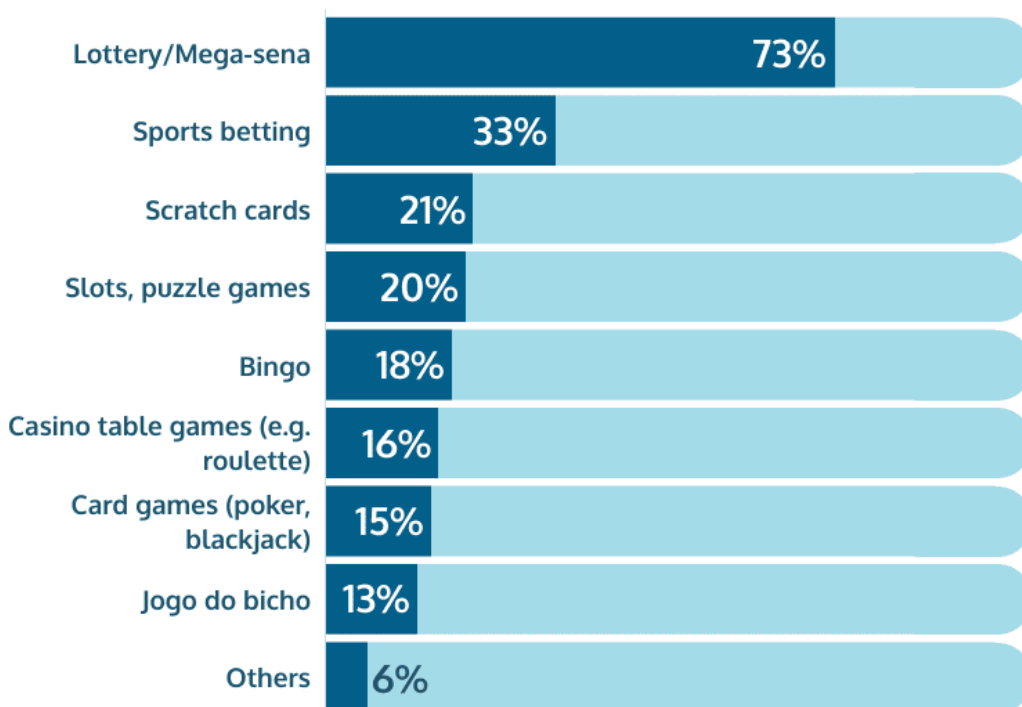


Do you know what to do to keep your personal information safe when playing online for money?

Much like with website reliability, we also observed a divisive stance on the respondents' **ability** to keep their personal **information safe** in real-money gaming contexts. Similarly, a consistent majority think they **know** or are **certain** they know what to do (**60%** combined) but only **one in four** are absolutely **sure** (26%).

Online Casino vs. Sports Betting. Nuances in Regulation Demand

The profiles of survey respondents confirmed much of what we already know about the [Brazilian gambler](#).



What types of online gambling and betting activities do you usually participate in?

If we combine all game verticals, we have a “**multiplicity index**” of 2.2, meaning that people play **more than 2 games**, on average.

Lottery players top the list, in all studies. **Sports bettors** are the second most important group but a rapidly growing one.

However, the aggregate shares for **all casino-type** games – combining **slots**, [crash games](#), casino **table** games and **card** games like poker and blackjack – show us that online casinos also attract **over a third** of all active players – **nearly 35%**.

Online casino is often played besides other real-money games (hence the 2.2 multiplicity). Many casino games are widely known, with some considered timeless **classics** like roulette, slots or blackjack. That is why they have **awareness** and **activity** levels comparable to the more “**visible**” gaming verticals, i.e., **sports betting**.

On the other hand, the online casino niche also presents certain differences in **public perception** and player awareness of **effective regulations**. While lottery, for example, has been legal and regulated for much longer across a number of Brazilian states, that has not been the case of online casino games and even sports bets.

A **comparative** analysis of responses by **casino** players and **sports** bettors reveals variations in preferences for licensing and regulatory awareness. Both segments show high **approval** for **regulation** but varying levels of **safety recognition** and **legal knowledge**.

In relation to their ability to recognize **safe** and **legitimate** websites, **online casino** players reach combined levels of “sometimes” and “always” of **58%**. This is slightly **lower** than the rest of the respondents, showing certain **difficulties** in recognizing licensed and **trustworthy** casino operators.

Sports betting fans, on the other hand, reach **75%** in claiming such abilities. This is **much higher** than both online casinos and other “traditional” real-money games like lottery, bingo, scratch cards, wherever they have an online version that is. We can attribute this to **massive advertisement** campaigns in Brazil, along with the operators’ association with top-tier football teams and mainstream events.

On the very idea of having a Brazilian **license**, online casino players show **88%** of combined approval (48% agree on licenses for “**some** games”, 40% for “**all** game types”).

Sports bettors think in a similar manner, reaching **89%** combined approval. More importantly, both segments rate the idea **higher** than fans of **traditional** real-money games (ranging between 80% and 84%). This stresses the modern gamers’ desire for more **clarity** and a conclusive **regulation** of the national market.

The high approval ratings also reveal something which is the very idea of a well-regulated market – the huge potential for **high channelization rates**, compared to playing only on **offshore** gaming websites, holds a series of long-term benefits for the Brazilian market.

And last but not least, on the question of **legal knowledge**, online **casino** players showed a combined **60%** between “something” and “a lot”. Sports bettors are even better informed, at **68%**.

Both gamer pools rated **higher than average** levels (53%), showing keen interest in getting more clarity on their vertical and the regulation of gaming services in Brazil. **Sports** regulation, obviously, is **better communicated** and more advanced in its adoption by users.

Latest Regulatory Framework

As we mentioned above, the most recent **major legal update** goes back to the closing weeks of 2023. The current real-money gaming act legalizes formally several gaming verticals and **amends** related legislation from **1971** and **2018**.

The Law **14.790/23** is, indeed, a significant step in regulating the iGaming sector in Brazil. It aims to ensure **safety, fairness** and **responsible gaming**, while also contributing to the country's **social** and **economic** objectives.

In pragmatic terms, it provides guidelines, standards and rules for:

- **Mandatory authorization** – for betting operators, a BRL 30 million **fee** is required, besides obtaining a license. **Five-year licenses** are available to those approved, for up to **three brands** per licensed company.
- **Operational requirements and integrity measures** – the law establishes guidelines for the authorization and operation of fixed-odds betting. These are contingent on the approved companies' adherence to **policies, procedures**, and **internal controls**. These include **customer service** and complaints handling, **anti-money laundering**, **counter-terrorism** financing, **responsible gaming**, prevention of **pathological gaming** disorders, **betting integrity** and prevention of **result manipulation** and other **frauds**. Naturally, gambling is prohibited for **minors** and individuals who could influence game outcomes.
- **Taxation as the core of regulation** – the law introduces clear tax brackets for both **companies** and **gamers**. iGaming operators are taxed at **12%**, while a **15%** income tax is foreseen for player **winnings**. Taxation is explicitly extended to **fantasy-style** games and **virtual events** with uncertain outcomes.
- Collected **tax revenues** are **distributed** across various sectors including education, public security, sports, social security, tourism, and health (for prevention and mitigation of possible negative effects arising from problem gaming). Even unclaimed prize money is foreseen to go to student funds and civil defense programs.

This **all-round approach** dictates rules for operation, services and standards in a structured manner. If anything is missing, that could possibly be traced to **insufficient** provisions for **monitoring** bodies but those may be defined as the sector evolves. And often come in the form of self-regulation associations.

Most importantly, the big difference from previous legislation attempts is in its **widened scope** – the regulation applies to both online and physical gambling (although not all kinds), as well as both real-life and virtual events.

Advertising Guidelines

The 2023 gaming law also advances the state of regulation on **gaming advertisements**. In that context, **key provisions** include:

- Guidelines for communication, advertising and marketing, essentially **promoting self-regulation**;
- Mandatory inclusion of **warnings** about the **risks** of advertised activities;
- Prohibition of **misleading advertisement**, promoting **unlicensed brands** or **false benefits**;
- Explicit prohibition of targeting **minors** (e.g., marketing in schools) and obligations of proper age-group **labeling**.

A few months earlier, the Chamber of Deputies at the Brazilian Congress approved the [Bill 3915/23](#) which targets mostly unfair online advertising. More precisely, the law addresses **social media** channels and figures (i.e., **influencers**) and prohibits them from promoting **unregulated gambling**.

At the time, the scope of gaming regulation was not clear or predictable, therefore promotional limits were meant for anything outside the likes of sports bets and lotteries. At the time of writing, these restrictions are intended for promotions of gaming platforms that are unable to obtain Brazilian licenses.

The law was actually passed because of the **significant impact** social media has on direct promotional messages, reaching millions of followers. And, consequently, with the goal of limiting the risks of unfair **online marketing** on people's **mental** and **financial** well-being.

While the proposed measures still need **further approval** (by the Senate) and enactment (by the Executive branch), they would **mandate influencers** to:

- Ensure their content does not encourage or refer to **unregulated gambling**;
- Inform their audience about potential **risks** and **consequences**;
- Clearly communicate the **commercial nature** of the publications;
- Include information **identifying** the company or individual **sponsoring** the content;
- Ensure the content does not reach **minors**;

Non-compliance by **influencers** would incur penalties, fines, warnings or suspensions, depending on the severity of the case.

Similar (but stricter) sanctions are foreseen for **companies** which must disclose a **list** of public figures and online personalities they work with. All contracts must be **formalized** and define both the **scope** of promotional activities and the parties' obligation to act in **good faith**.

Some **state-level** legislation initiatives are also worth noting. This is particularly the case of the [Maranhão Law](#) Against Gambling Promotion. Sanctioned in October 2023, it prohibits the promotion of the online slot game “Fortune Tiger” (known as “[jogo do tigre](#)”, among other nicknames) by influencers. The law gained **national prominence** as a pioneering move in response to numerous cases of **misleading promotional campaigns** on social media.

Topical Cybersecurity Regulation

Around the time sports betting was (broadly) legalized in 2018, Brazil began taking first steps toward protecting data privacy on the Internet. The General Data Protection Law ([LGPD](#)) finally entered into force in mid-2020, **mirroring** most of the good practices found in the EU’s **GDPR**.

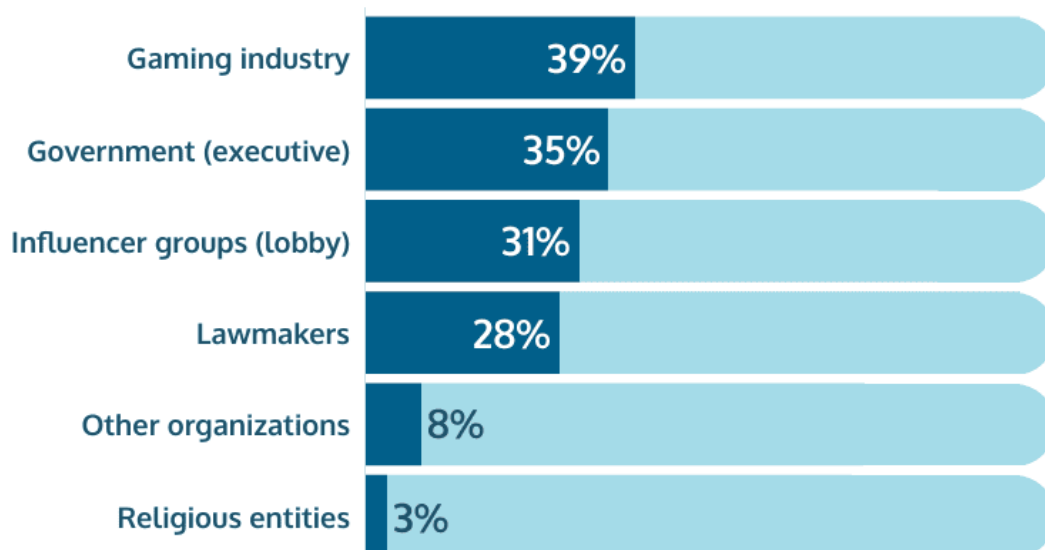
However, in the absence of concrete prospects of licensing gaming companies at that point, players remained susceptible to **shady websites**, **unlicensed games** and **sub-par personal data handling**.

The current gaming law (14.790/23) has certain provisions on **complaints handling** and **customer service requirements**, but little specifically on personal data protection and cybersecurity risks.

Thus, the leading dispositions on personal data and cyber protection remain within the Brazilian LGPD. We fully expect, however, that guidelines and requirements for iGaming operators will become more detailed and concrete in that direction. That is, whenever the designated **licensing authorities** accumulate more experience with sensitive topics like **personal data protection** in the **context of real-money gaming**.

Socio-cultural dynamics

When considering the consequences of regulations on gaming demand, we also need to investigate who is responsible for **shaping these gaming regulations**.



Who has the most influence on real-money gaming policy?

The largest share of respondents (**39%**) thinks that the **gaming industry** has the biggest role in shaping gambling policy and laws – bigger indeed than the **Government (35%)**.

Perhaps not surprisingly, **lobbies** and other pressure groups come next (**31%**), ahead of **lawmakers** themselves (**28%**).

In this context, however, we need to consider some **socio-cultural factors** that impact the drive for gambling regulation – be those public or **largely unspoken**.

For a long time, it has been difficult to conciliate different opinions by Brazilian authorities and civil society actors.

- Regulation **advocates** have always pointed to substantial and legitimate **revenues** and **economic spillovers**, besides improvements in **consumer protection**.
- **Critics** have often expressed concerns about the **potential** for increased **gambling risks** and related social problems.

In Brazil, however, the “**religious**” factor is bigger than it appears on the surface – and it is probably **underestimated** in the survey response as well. Religious entities consider all betting forms a “sin”, citing the known risks.

Republican legislators have been slowing down regulation efforts since 2018. They are notably from the group called “the religious bench” but, in truth, the entire conservative party is heavily influenced by the Universal Church of the Kingdom of God.

Ultimately, motivations are found in what religious figures see as **competing channelization** of funds – from **temple offerings** into real-money games. This may not seem like a strong enough justification, yet we need to consider the extremely **limited disposal income** of millions of Brazilians on the **outskirts of large cities**.

Historical Context and Evolution of iGaming Regulation

The transition from a **historically restrictive** stance on gambling to embracing regulated online real-money gaming marks a significant shift for Brazil. These developments reflect **changing societal attitudes** and the recognition of the economic benefits of a regulated iGaming industry.

The government’s efforts to put order in the sector reflect a **commitment** to creating a **secure** and **fair** gaming environment. More practically, the latest regulations aim to balance **economic incentives** with **protective measures** for players.

Regulation Landmarks for Brazilian iGaming

- In **2018** the Federal Law [13.756](#) legalized **fixed-quota bets** (essentially **sports betting**), where games would have preset winning coefficients. **No further rules** or taxation dispositions were provided at the time.
- In mid-**2023**, returning President Luiz Inacio Lula da Silva issued an [executive order](#) to tax **sports betting** at **18%** on “Gross Gaming Revenues” (**GGR**)
- Regulation efforts culminated in December **2023** when the President [sanctioned the law](#) regulating real-money games, establishing a more **sensible legal framework** for both physical and online gambling operations.
- The focus is currently on **taxation** and **licensing revenues**, as well as their **redistribution** among sports, youth and social programs.

Future Outlook

The iGaming sector in Brazil is destined for consistent **growth** in the next few years – driven by **technological** advancements and increasing **player engagement**. The biggest factor in that sense, however, is the newly found **regulatory clarity**.

The industry’s prospects will be shaped by the **effectiveness** of the adopted guidelines and efficiency of **control** mechanisms and **self-regulation** efforts. Ongoing **adjustments** to regulations will also be crucial in ensuring a balanced and **responsible** gaming ecosystem.

Implications for the iGaming Industry

The laws enacted on a federal level aim to balance the **economic benefits** of the Brazilian gambling industry with the need for **consumer protection** and **safe gaming** practices.

As things stand, authorities channel most of their efforts to **taxation** and **financial control**. The key to sustainable growth, in that context, is whether the adopted fiscal policy will maximize public benefits while **not stifling** market growth.

More regulation and transparency also mean less opportunities for **money laundering** and **match fixing** but more chances for **high-profile gaming partnerships** with sports clubs, events and national awareness campaigns.

The debate must clearly shift outside the financial effects as well, and our **survey** helps gaming stakeholders see what is beyond that – public opinion on **safety**, **efficiency** and **social effects** should become the pivotal factors in improving gaming regulations. The impacts of **fair marketing** and **product transparency** might be harder to measure and regulate, given the fast pace of market evolution, yet there are good practices from mature markets that can be taken as reference.

One thing is certain – having an open discussion and setting up a wide-scope regulatory framework has been a **huge step in the right direction** for Brazil.