

AN ENV MEDIA STUDY

# ONLINE GAMBLING TAXATION IN BRAZIL



**Brazil's online gambling market** is undergoing significant regulatory changes, positioning it for substantial **growth** and **formalization**.

**ENV Media's study** presents highlights on the new **taxation framework** and its impact on players and operators.

## Key Taxation Policies and Rates

### FOR PLAYERS

#### Tax on Winnings

Players must pay a **15% tax** on their gambling winnings.

#### Annual Reporting

Players need to **report winnings** on their annual tax returns, ensuring compliance.

### FOR OPERATORS

#### Gross Gaming Revenue Tax

Operators face a **12% tax** on their GGR.

#### Corporate Income Tax

Operators also pay a **15%** corporate income tax, with an additional **10%** surcharge for profits over **BRL 240,000** and a **9%** social contribution on net profit (CSLL).

## Gambling Tax Revenue Redistribution

The **revenue** collected from **gambling taxes** will be **redistributed** to various **public sectors**, including:



36%



28%



14%



10%



10%



1%



1%

# Impacts on the iGaming Market

## Market Growth

The **formalization** is expected to generate substantial **revenue**.



Clear regulations are attracting **foreign investments**.

## Player Behavior



Players may move to **regulated platforms** to avoid legal risks.

The tax on winnings may influence **betting patterns**.

# Compliance and Legal Considerations

## FOR PLAYERS

### Mandatory Reporting

Players must report winnings to **avoid penalties**.

### Tax Evasion Risks

Engaging in tax evasion can lead to severe **consequences**.

## FOR OPERATORS

### Strict Compliance

Operators must meet rigorous standards to **maintain** their licenses.

### Penalties for Violations

Non-compliance can result in fines and **license revocation**.

# Opportunities and Challenges on Taxation

## Opportunities

The regulated environment creates new **business opportunities**.

Enhanced regulations ensure better **protection** for players.



## Challenges

The combined tax rates may be seen as **excessive**, potentially limiting market growth.

Navigating the regulatory landscape requires **substantial resources**.

## Essential Takeaways

### FOR STAKEHOLDERS



#### **Compliance is Crucial**

Both players and operators must adhere to regulatory requirements.

#### **Growth Potential**

Despite challenges, the Brazilian market offers significant growth opportunities.

#### **Stay Updated**

Keeping up with regulatory changes is vital for maintaining competitiveness.