

The background features a dark, high-contrast photograph of a modern building with a prominent green roof. The image is overlaid with large, diagonal geometric shapes in shades of white and light gray, creating a dynamic, architectural feel.

TozziniFreire.

BRAZILIAN GAMING MARKET

A GUIDELINE

Lottery games, sports betting, iGaming, skill-based games, and potentially, land-based casinos, bingo, as well as "*jogo do bicho*" are currently prominent topics of discussion within Brazil's gaming industry.

The new regulatory framework has brought formalization and legal security to a market that has been experiencing strong growth over the past seven years. Brazil has unique challenges that must be clearly understood for opportunities to be properly leveraged.

TozziniFreire has been active in the gaming and betting sector since before this became a widely discussed topic. With a multidisciplinary team, we support industry players from their entry in the Brazilian market through the expansion of their operations. This document provides an overview of the current scenario and anticipates some of the key developments expected in the coming months.



REGULATION

OVERVIEW

Where Are We and What to Expect?

Within less than a year since regulation, the sports betting and online gaming industry has contributed with over R\$5 billion in government revenue. Currently, more than 70 operators are legally active across the country, supported by certifiers, platform developers, digital security firms, and data centers, all of which are fostering job creation and economic growth.

From a regulatory perspective, key challenges include fighting illegal gambling, promoting responsible gaming practices, and enhancing regulatory stability. Although there is some opposition from segments of the political sphere and media, the sector continues to expand rapidly. The expectation is that further regulatory refinements will help solidify sports betting and online gaming within Brazil.

Bills under discussion at the National Congress aim to extend legalization to land casinos and implement measures for responsible gaming. Monitoring these initiatives is essential to ensure progress and prevent setbacks.



HIGHLIGHTS

- 01 Lottery, sports betting, and iGaming are permitted by law.
- 02 Sports betting and iGaming are classified as forms of lotteries.
- 03 All forms of lotteries, such as sports betting and iGaming, are classified as public services and are regulated and monitored by the government.
- 04 Both federal and state governments have the option to either offer lottery services themselves or outsource them to private firms.
- 05 Each state is restricted to operating within its own borders, while a federal license is necessary for conducting operations across the entire country.
- 06 Only businesses that are based in Brazil are eligible to apply for operations related to lotteries, sports betting, and online gaming.
- 07 Systems and platforms are required to obtain certification from accredited laboratories.
- 08 Payments must be processed using Pix (a payment method) and debit cards. The use of credit cards and cryptocurrencies is prohibited.
- 09 Within the Federal Government, the Ministry of Finance oversees the Secretariat of Prizes and Betting (*Secretaria de Prêmios e Apostas - SPA*).
- 10 As of January 1st, 2025, only companies that hold licenses are permitted to engage in sports betting and online gaming in Brazil. The Federal Government has the authority to block unlicensed companies, which are also prohibited from using Pix or advertising their services.

FEDERAL LICENSE



A SPA License is mandatory to operate countrywide.



Ordinance No. 827/2024 from SPA outlines the procedures and regulations for applying for the license. Additionally, companies are required to adhere to other relevant laws and regulations.



Every license allows the company to manage a maximum of three brands for a duration of up to five years.



Companies can apply for a license to operate solely in sports betting, online gaming, or a combination of the two.



Companies involved in sports betting and iGaming in Brazil are required to have a Brazilian shareholder entity that holds a minimum of 20% of the capital.



A grant fee of 30 million Brazilian Reais (approx. USD 5,5 million) is necessary for every license – due after the SPA's assessment of License's mandatory requirements.



Companies are required to maintain a financial reserve of 5 million Brazilian Reais (approx. USD 922K) in the form of Brazilian bonds, along with a paid-in capital stock of 30 million Brazilian Reais.



The list of Licensed companies is available [here](#).

SPA REGULATION



Ordinance 827/2024 – rules and procedures for requesting the licence ([English Version](#))



Ordinance No. 1225/2024 – monitoring and oversight rules ([English Version](#))



Ordinance No. 722/2024 – general rules for systems and platforms ([English Version](#))



Ordinance No. 1231/2024 – sanctioning rules ([English Version](#))



Ordinance No. 1143/2024 – AML rules ([English Version](#))



Ordinance No. 1233/2024 – responsible gaming ([English Version](#))



Ordinance No. 1207/2024 – Online gaming rules ([English Version](#))



Normative Ruling No. 22/2025 – restrictions for social programs' beneficiaries ([English Version](#))



Normative Ruling No. 31/2025 – Gamstop and self-exclusion rules ([English Version](#))



The updated list of regulations is available on the [SPA Website](#) (in Portuguese)

How to obtain a license

Establish the Operating Entity

- A minimum of 20% of the shares must be owned by a Brazilian individual or entity.
- Foreign companies are permitted to have control over both the operating company and its Brazilian shareholder.

Gather the mandatory documents

- SPA regulations outline various prerequisites, such as:
- Conducting background checks on shareholders and ultimate beneficial owners (UBOs)
- Providing evidence of the legality and source of funds
- Demonstrating that shareholders or affiliated companies have prior experience in gambling operations

Assign the appropriate individuals to the following key roles:

- Chief Financial Officer (CFO) and Accounting
- Ombudsman and Consumer Relations
- Data Protection Officer (DPO)
- Government Relations
- Chief Technology Officer (CTO) or Information Security Lead

Financial requirements

After SPA concludes the assessment, operators will have 30 days to:

- Pay a BRL 30 million grant fee
- Set a BRL 5 million financial reserve
- Pay-in the minimum BRL 30 million corporate capital

M&A Opportunities



Authorized Operators

+80

It is widely agreed that the market will undergo consolidation in the near future.



Authorization as an asset

6 month

Due to lengthy approval times, many investors obtained licenses to sell them to others seeking quicker startup options.



Points of attention

3 slots

A single authorization allows operating up to three different brands, and some companies sell these “slots” to investors. However, this widely used practice is unregulated and may pose risks for both sides.



New Frontier

- \$

Some established companies struggle to meet financial demands and are looking to sell assets or find investor partners.



While prior authorization isn't required for a change of control, the SPA can cancel the transaction if the new controller doesn't meet operational criteria. To reduce this risk, it's recommended to request a preliminary assessment.

Systems and platforms.



Regulation

All systems and platforms must follow SPA Ordinance No. 722/2024



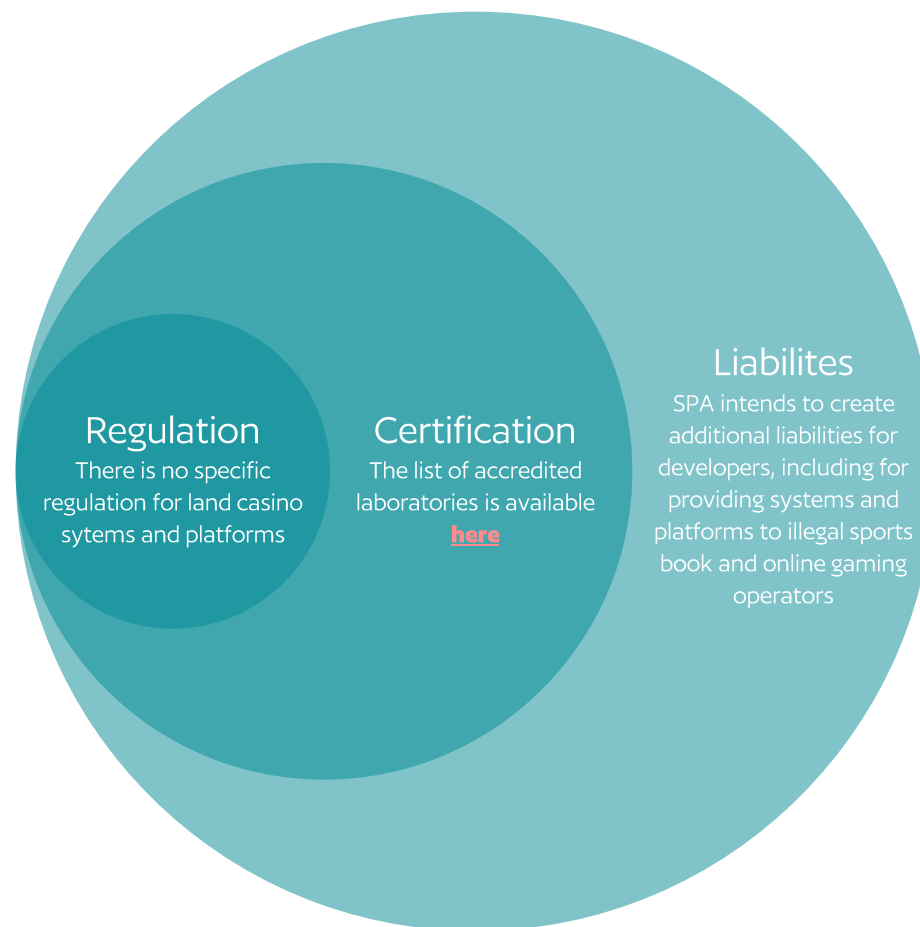
Certification

All systems and platforms must be certified by accredited laboratories



Liabilites

Until now, developers and studios do not have specific liabilities, yet they can be sanctioned for not comply with SPA general regulations



MACHINES AND TERMINALS

Current Regulation

- Federal regulation allows video lottery terminals
- Only lottery tickets and sports betting are allowed
- Some States (Rio de Janeiro, Paraná, among others) provides detailed regulation

Bill no. 2234/2022

- “Gaming machines” are regulated
- Companies that rent machines needs to follow specific regulations
- The machines must be registered in the Ministry of Finance, that must audit them periodically
- Companies that sell or rent machines don’t need to have a specific licence

THE SUPREME COURT'S ROLE

- **ADPF 492 | ADPF 493 | ADI 4986** – The STF (Brazilian Supreme Court) ruled in favour of Brazilian states, affirming that although the federal government has the authority to legislate on gambling matters, it does not hold exclusive rights to offer lotteries, including sports betting and online gaming.
- **ADI 7640** – Multiple states challenged Section 35-A of Law no. 13,756/2018, which restricts the activities of operators authorised by the states, such as prohibiting advertising in other states and limiting concession rights to one per operator. The STF ruled in favour of the states, deeming the challenged provisions as unconstitutional.
- **ACO 3696** – The federal government challenged Loterj's (Rio de Janeiro's lottery authority) concessions for failing to require operators to block access to bettors outside Rio de Janeiro state. The STF issued an injunction directing Loterj to enforce such restrictions on its operators.
- **ADPF 1212** – The political party Solidariedade questions the authority of municipalities to offer and regulate lotteries, including sports betting and online gaming.
- **ADI 7721** – The National Trade Confederation contests the constitutionality of Law 14,790/2024. The STF partially granted an injunction, prohibiting advertising for minors and preventing the use of social programs resources (*Bolsa Família and Benefício Previdenciário Complementar*).

The Brazilian Supreme Court (*Supremo Tribunal Federal* – STF) is currently examining significant issues pertaining to the gambling industry.

So far, there is a tendency to strengthen effective regulation and uphold the legality of sports betting and online gaming.

EXPECTED DEVELOPMENTS

01 The Brazilian Senate is preparing to vote on the bill that would legalise land-based casinos and the 'jogo do bicho' game and require license to operate skill-based games.

02 SPA has released its Regulatory Agenda for the year, emphasizing responsible gaming, and is expected to introduce new regulations.

03 Several bills aimed at imposing different types of limitations (including advertisement and marketing) for sports betting and igaming are currently under discussion in Congress.

04 We should not expect the Supreme Court to rule on the Municipalities' issue and on the constitutionality of Law 14790.

05 SPA has just release new rules related to a database of banned bettors soon, including self-declaration and those legally prohibited to bet, enforcing responsible gaming actions

06 Expectations are that suppliers will have to get some register or licence, and SPA will sanction those that engage with illegal operators

07 Operators and political figures are calling for increased measures to combat the illegal market. Additional regulations and government interventions are anticipated.

08 Increasing financial pressures and potential new obligations, such as the increase in GGR discounts from 12% to 24%, are prompting small and medium-sized businesses to reassess their business strategies. This situation could result in market consolidation and create M&A opportunities

The background of the slide is a dark, high-contrast photograph of a modern building's facade, featuring vertical architectural elements. A sharp diagonal line divides the image from the top-left to the bottom-right, separating the dark building image from a solid white background.

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GAMING & E-SPORTS

KNOW OUR PRACTICE

GAMING & E-SPORTS

TozziniFreire's Gaming & E-sports practice group has extensive experience in numerous aspects of one of the fastest growing industries in recent years and is prepared to help our clients navigate a legal landscape that is in permanent motion and evolving constantly. We are at the forefront of the changes and involved in the most significant regulatory developments and transactions in the country, and our savvy team of lawyers knows what works and what does not in the sector.

We represent a wide range of stakeholders and players in the industry, whether national startups or international conglomerates, including manufacturers of gaming hardware and software, online and offline lottery and sports betting operators, e-sport entities, and service providers such as payment processors, certifiers and marketing affiliates.

Our Gaming & E-Sports practice provides our clients with unique multidisciplinary assistance that gathers extensive regulatory, tax, criminal law, IP, governmental affairs, and transactional capabilities alongside our market-leading practice in compliance, privacy, and litigation, combining all expertise required to deal with any legal challenge of the industry. Our full-service infrastructure also allows us to always call upon lawyers from other teams that are very familiar with this and related industries, such as Media & Entertainment, Private Equity & Venture Capital, and Telecommunications & Information Technology, and counts on the support of ThinkFuture, TozziniFreire Advogados' innovation program.

RECOGNITION



TozziniFreire Advogados

"TozziniFreire impressed us from the get-go with their market knowledge of the new Brazilian landscape. They've shown a real engagement with the gambling & betting industry."

"Hiring TozziniFreire made us feel the closest we've ever been to the core of the political and regulatory fronts of this sector. They brought us a lot of confidence to our operation in Brazil."



"TozziniFreire's team is always very attentive, proactive and, above all, knowledgeable about gambling & betting, offering plenty of expertise and technical rigour."

Additional details about TozziniFreire's Gaming & E-Sports Practice can be found [here](#).

TAILOR-MADE SERVICES



Legal risk analysis of lotteries, sports betting and online gaming market and legal assistance to set up operations in Brazil



Advisory and litigation assistance in consumer claims, including interactions with consumer rights authorities (SENACON and PROCON)



Legal and regulatory follow-up, advocacy and government affairs, supporting interactions with regulatory agencies and authorities



Advisory and litigation assistance on labor issues, involving hiring of staff and third parties, appointment of board members, internal policies, union matters, among others



M&As, joint-ventures, investments, partnerships and other strategic projects



Compliance, responsible gaming and AML advisory assistance, including structuring and reviewing internal policies and training



Tax advisory and tax planning



Personal data and privacy protection



Structuring, drafting and negotiating all agreements for local operation, such as distribution, software licensing, payment processing, with marketing affiliates, media partners and supply chain



IP-related matters, including registrations and disputes

MEET OUR TEAM



Caio Loureiro

[View Profile](#)

Caio, a Band 1 Lawyer in Chambers Brazil Gambling and Betting, co-leads the gaming and e-sports practice, specializing in regulatory issues and government relations.

'Caio is incredibly knowledgeable about gambling & betting regulatory matters and very friendly. He helps me a great deal.'

'A great gambling & betting lawyer who really excels in regulatory matters. Caio is also available and thoughtful.'



Jun Makuta

[View Profile](#)

Jun, a Band 2 Lawyer in Chambers Brazil Gambling and Betting, co-leads the gaming and e-sports practice, specializing in corporate and transactional matters.

'Jun was extraordinary in our work together. He was highly available to answer questions and always knew exactly what he was talking about in his field.'

'A guy who comes from corporate law, Jun showed a lot of responsiveness and knowledge. He has never disappointed us.'



Adriana Ferreira

[View Profile](#)

Adriana, an Associate to watch in Chambers Brazil Gambling and Betting, who has strong experience in gambling matters.

'Adriana is a really knowledgeable lawyer in Brazilian gambling and betting regulation. Everything that came up, she responded without missing a beat.'

'A lawyer who is always available and hands-on. I really recommend working with Adriana.'

TozziniFreire.



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