

Sports Betting Report

THE BRAZIL GOLD RUSH

ONE YEAR POST-REGULATION:
WINNERS. LOSERS. WHAT'S NEXT.



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1. INTRODUCTION

— 1.1 Executive Summary



From Expectation to Reality: Brazil's First Regulated Year

BY JUAN PABLO BARAHONA
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Brazil's regulated betting market has been discussed across the industry for years. For many operators and suppliers, it represented the biggest remaining opportunity in global betting.

The first year of regulation finally allowed the industry to move from expectations to reality. What quickly became clear is that Brazil is every bit as large and dynamic as many anticipated, but also more complex to operate in than many expected.

Competition is intense, player behaviour is sophisticated and the regulatory environment continues to evolve as authorities gain a clearer picture of how the market functions in practice. This combination creates an opportunity, but also demands strong execution from operators and suppliers who want to succeed in the long term.

From a product and technology perspective, Brazil is also proving to be a very specific market. Players expect an intuitive UX, deep betting markets, competitive pricing and a seamless payment experience. Meeting those expectations consistently is what will separate the operators that win from those that lose.

What makes Brazil particularly interesting today is that the market is still in its early stages. The first year was focused on launching the regulatory framework and establishing the foundations of the licensed ecosystem, but the next phase will test consolidation, operational maturity and long-term sustainability.

This report looks back at the first year of regulation and examines what the data, regulatory developments, player behaviour and leading industry voices reveal about the road ahead for Brazil's betting market. ■

1. INTRODUCTION

— 1.2 Industry Voices



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1. INTRODUCTION

— 1.2 Industry Voices



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1. INTRODUCTION

— 1.3 Brazil's First Year in Numbers



R\$36.96BN

Regulated Market
GGR (Source: SPA)



25.2M+

Unique Bettors
(Source: SPA)



15%

Adult Participation Rate
(Source: H2GC)



79

Licensed Operators
(Source: SPA)



100M+

Active Betting Accounts
(Source: SPA)



72%

Channelisation Rate
(Source: H2GC)



28%

Offshore Market Share
(Source: H2GC)



25.000

Illegal Betting Sites
Blocked (Source: SPA)



R\$9.95BN

Taxes Generated
(Source: SPA)



217.000+

Self-Exclusion Requests
(Source: SPA)

1. INTRODUCTION

— 1.4 Expert Insight



A Market That Was Always Expected To Be Massive

BY CARLOS CARDAMA
CO-FOUNDER, BIS SIGMA SOUTH AMERICA

It is no secret that gambling has always been part of Brazilian society, and jogo do bicho is the best example of this for over 130 years. It would be no different with sports betting, which was legalized in 2018 and had already existed in Brazil long before that.

When the sector was legalized, it was already possible to foresee what could happen once regulation was implemented: Brazil becoming one of the world's leading markets. Even before formally entering into operation in January 2025, there was already talk of gross revenue exceeding BRL 30 billion and tax collection in the region of more than BRL 8 billion, considering the 12% tax on GGR plus licensing fees.

With the first year now closed, the numbers surprised the government — but not the industry. Sports betting and online gaming companies generated BRL 37 billion in gross revenue in 2025, leaving no less than BRL 9.95 billion in government coffers, considering the 12% on GGR plus Corporate Income Tax (IRPJ), Social Contribution on Net Profit (CSLL), PIS (Social Integration Program), and Cofins (Contribution for the Financing of Social Security).

Not bad for a first year marked by turbulence and unfounded accusations against the sector, attempts to nearly double the tax on GGR — a risk that still exists — and a staggered increase already approved to 13% this year, 14% in 2027, and 15% in 2028.

The government's revenue-driven approach may jeopardize these achievements by reducing the margins of licensed operators in the face of competition from the clandestine market — which the government has failed to contain — and which competes aggressively against the regulated market.

Today, nearly 50% of the market remains in the hands of illegal operators. To channel players into the regulated sector, the government must change its strategy, rather than focusing on increasing taxes for licensed operators or banning advertising, as proposed by the National Congress. Without visibility, licensed operators will not be able to demonstrate to society that they comply with the law and uphold Responsible Gaming principles.

This is the government's challenge for 2026: to work for society rather than for opportunists who attempt to undermine, with empty rhetoric, the progress that the sports betting and online gaming sector has delivered to Brazil. There is still significant room for growth — provided that legal, institutional, and tax certainty are maintained. ■

2. MARKET EXPECTATIONS BEFORE REGULATION

In the months leading up to **1st January 2025**, expectations for **Brazil's regulated fixed-odds betting market** were shaped by **two key factors**.

On one side, the **federal government** set out what it believed regulation would deliver in terms of **revenue, control and consumer protection**.

On the other, **analysts and industry bodies** published projections about **how large and competitive the market could become once formalised**.

IN SIMPLE TERMS, EXPECTATIONS WERE BUILT AROUND:

- The government's fiscal and policy objectives
- The market size forecasts produced by analysts and industry studies

This chapter analyses that **pre-launch baseline** – the moment when Brazil was positioned as the **next major regulated betting market** – before we examine **what the data ultimately showed**.

2. MARKET EXPECTATIONS BEFORE REGULATION

— 2.1 Expert Insight



The Institutional Objectives Behind Brazil's Betting Regulation

Q&A WITH MAGNHO JOSÉ
EDITOR, BNLDATA | PRESIDENT, BRAZILIAN LEGAL GAMING INSTITUTE (IJL)

Q When regulation was implemented, what were the main public policy objectives behind it, from an institutional perspective?

A Law No. 13,756 was approved in December 2018. However, during the four years of the Bolsonaro administration, it was not regulated as originally predicted in the approved text.

With the arrival of the Lula administration, a bill was submitted to the Senate in order to introduce certain adjustments to Law No. 13,756. This bill progressed throughout 2023, and at the end of that year, Law No. 14,790 was enacted. In 2024, this new legislation was formally regulated through a comprehensive set of ordinances — approximately 26 to 28 regulatory acts — which effectively structured the regulatory framework for the sector.

When Congress approved the law, it granted a six-month adaptation period. As a result, the first half of 2024 was dedicated to drafting and issuing the necessary ordinances and complementary regulations, while the second half of the year was largely devoted to the market's transition and compliance period.

On January 1, 2025, the regulation of sports betting officially came into force, marking the formal starting point of the regulated market in Brazil. From that moment onward, all companies wishing to operate in the country were required to obtain a license, which involved a BRL 30 million fee, in addition to financial guarantees — meaning that, in practice, a minimum capital commitment of approximately BRL 35 million was required to enter the market.

Currently, there are approximately 120 companies operating in Brazil through around 178 websites. The primary objectives of this public policy were to formalize and regulate the sector, establish oversight mechanisms, create clear operational rules, generate government revenue, and above all, protect bettors from the harmful effects of illegal, unregulated, and clandestine gambling.

A significant portion of this mission has already been accomplished or is in the process of being consolidated. Although regulation came late — following a regulatory vacuum of nearly six years — its implementation represents a major step forward. This prolonged absence of regulation was highly detrimental to the market, as it allowed numerous illegal operators to enter and operate in Brazil without licenses or jurisdiction, contributing to structural challenges and to a negative public perception that society continues to confront today. >>

2. MARKET EXPECTATIONS BEFORE REGULATION

— 2.1 Expert Insight

Q One of the main objectives was the migration from the illegal market to the regulated one. After one year, how do you assess this transition?

A One of the core objectives of regulation was precisely the channelisation of the illegal – or more accurately, the previously unregulated – market. Since betting activity has been legal in Brazil since 2018, it could not technically be classified as illegal; rather, it operated in a non-regulated environment. Therefore, one of the main goals was to bring both operators and bettors into the formal, regulated market.

Fourteen months after regulation came into effect, it is clear that a significant portion of the market has been successfully channelised. I would estimate that approximately 65% to 70% of the market is now operating within the regulated framework.

There has been discussion in the market suggesting that channelisation currently stands at around 50%, but I believe the figure is somewhat higher. Recently, during the ICE Barcelona event, H2 Gambling Capital – a reputable consultancy specialising in the sector – indicated that the illegal market may now account for approximately 35% of activity. That assessment aligns with my view. Based on this, we can reasonably conclude that channelisation today is between 65% and 70%.

That said, this is still insufficient. Further expansion of channelisation is necessary to ensure that all operators are effectively brought into the regulated environment. However, this is an ongoing process.

The Secretariat of Prizes and Betting (SPA) has been actively working to restrict the illegal market. It has partnered with the so-called "Digital Counsel" which includes major technology companies, to prevent influencers and unregulated platforms from advertising illegal betting services on major digital platforms such as Google, Meta, and YouTube.

The SPA has also reported more than 25,000 URLs and domains, which have subsequently been blocked or taken offline. However, as these sites are removed, new ones often emerge, maintaining the presence of illegal operators in the market.

More recently, new legislation has been approved that will further tighten enforcement by holding payment providers and influencers accountable if they engage in partnerships with illegal platforms. This measure is expected to significantly strengthen enforcement mechanisms and further support channelisation efforts. >>

2. MARKET EXPECTATIONS BEFORE REGULATION

— 2.1 Expert Insight

Q In terms of consumer protection and market integrity, what concrete progress has Brazil achieved so far?

A In terms of consumer protection and market integrity, I believe Brazil has achieved effective and meaningful progress.

Regarding consumer protection, clear and robust rules have been established to ensure that bettors can feel safer, more confident, and more comfortable when placing bets. The regulatory framework introduced a series of obligations for operators. For example, platforms are not permitted to withhold prize payments; winnings must be paid within a defined timeframe — in some cases within two hours of settlement. These requirements reflect internationally recognised best practices and are designed to ensure that bettors are adequately protected.

Additionally, a self-exclusion programme has been implemented. This tool is particularly important, as it provides protection for players who are experiencing compulsive behaviour or who may be at risk of developing problematic gambling patterns. The introduction of this mechanism aligns Brazil with global best practices in responsible gaming.

With respect to sports integrity — another critical pillar of the regulatory framework — the Ministry of Sports has implemented a range of initiatives, including training programmes, capacity-building efforts, technological platforms, and cooperation agreements with specialised risk-monitoring companies such as SportRadar, Genius Sports, and SIGA. These partnerships enable real-time monitoring systems aimed at preventing the misuse of betting platforms for match-fixing and other criminal activities.

Overall, we have seen significant and tangible progress in both consumer protection and sports integrity during the first year of regulation. >>

2. MARKET EXPECTATIONS BEFORE REGULATION

— 2.1 Expert Insight

Q Were there any outcomes in the first year that diverged from the initial expectations, whether positively or negatively?

A I believe that this first year of regulation largely met the sector's expectations — some more fully than others.

For example, Brazil has produced one of the most robust and effective regulatory frameworks in the world. Today, Brazil is a reference point internationally. There are procedures within the Brazilian legislation that do not exist in many other jurisdictions.

One example is KYC — “Know Your Customer.” This is extremely important. Not all regulatory frameworks include this requirement; for instance, the United States does not have KYC in the same way. It is a significant mechanism for protecting bettors.

Regarding channelisation, I personally had slightly higher expectations. However, we must consider that Brazil went six years without effective regulation — four years during the Bolsonaro administration and two years under President Lula while a new law and its regulatory framework were being developed. That gap had an impact on the market structure.

Even so, I am convinced that the first year of regulation remained within expectations overall. The fight against illegal platforms could have started earlier. That said, this is a process. At this point, it appears to be moving in the right direction and aligned with the original plan. >>

2. MARKET EXPECTATIONS BEFORE REGULATION

— 2.1 Expert Insight

Q What adjustments or priorities should define the second year of the regulated market?

A Regarding priorities for the second year of regulation, there are two main issues that concern me.

The first is the recurring discussion within Congress – and at times within the Executive – about increasing taxation on sports betting and online gaming platforms.

Brazil already has a high tax burden on this sector. In addition to the current GGR tax, there are standard corporate taxes, and upcoming tax reform decisions may increase the overall effective tax rate significantly – potentially reaching levels close to 42%.

One of the sector's key challenges in Year Two will be preventing further tax increases. The GGR tax, which was 12%, has already been scheduled to rise to 13% in 2026, on top of normal corporate taxation. Brazil already has one of the highest tax burdens in the world.

It is important that lawmakers understand that sports betting is not a lottery model where payouts can simply be reduced without consequences. Sports betting operates on a banked model, which requires competitive payout levels. If taxation pressures reduce payout competitiveness, operators risk losing market share to illegal platforms.

The second major challenge is the continued fight against illegal operators. This is not a one-time effort. It requires ongoing enforcement and constant monitoring.

Finally, another concern relates to the political environment. Brazil is entering an election year, and political narratives can influence public perception of the sector. There is a growing tendency in political discourse to portray betting companies as a societal problem.

It is important to reinforce that regulated betting is not the problem – it is part of the solution. Without regulation, the illegal market would expand unchecked.

The sector will need to manage and respond carefully to political criticism. For example, the federal government has recently highlighted the self-exclusion platform in public communications. While self-exclusion is an important consumer protection tool, it should not be used as a political instrument against the sector. Its purpose is to protect bettors, not to serve partisan narratives.

Year Two will therefore require stability, continued enforcement, and careful management of political perception. ■

2. MARKET EXPECTATIONS BEFORE REGULATION

— 2.2 Government Expectations

Before launch, the federal government presented regulation as both a **fiscal opportunity** and a **public policy instrument**.

In an official Ministry of Finance announcement in **July 2023**, Finance Minister Fernando Haddad stated that annual government revenue from regulated betting had a **“low forecast” of around R\$2bn per year** (~€0.4bn). In the same communication, the Ministry indicated that, in a fully regulated and mature market, annual fiscal potential could reach **R\$6bn to R\$12bn per year** (~€1.1bn–€2.3bn).

FROM THE GOVERNMENT’S PERSPECTIVE, HOWEVER, REGULATION WAS ALSO FRAMED AS A MECHANISM TO:

- Create full financial traceability
- Reduce the influence of offshore operators
- Strengthen anti-money laundering controls
- Combat match-fixing
- Protect consumers through identification and monitoring requirements

By the time of launch, this policy message had become more concrete. In official communications, the government stressed that only authorised operators would be allowed to act nationally, that payment institutions would be restricted from facilitating transactions for unauthorised entities, and that licensed operators would operate under the **“.bet.br”** domain structure.

The regulatory narrative was clear: betting would move from informal digital activity into a fully supervised economic sector.

GOVERNMENT EXPECTATIONS BEFORE REGULATION

R\$2BN/YEAR
(~€0.4BN)

Fiscal Revenue
Estimate For 2025

R\$6BN-R\$12BN/YEAR
(~€1.1BN–€2.3BN)

Long-Term Potential
In A Mature Market



“One of the main goals was to bring both operators and bettors into the formal, regulated market.”

MAGNHO JOSÉ
EDITOR, BNLDATA | PRESIDENT, BRAZILIAN LEGAL GAMING INSTITUTE (IJL)

2. MARKET EXPECTATIONS BEFORE REGULATION

— 2.3 Market Expectations

While the government framed regulation primarily around fiscal potential, market control and consumer protection, the industry focused on a different question: **how large the Brazilian betting market could become once formally regulated.**

Even before the launch of the regulated market, analysts, operators and investors broadly agreed on one point: Brazil had the potential to become one of the largest regulated betting markets in the world.

Independent forecasts reinforced this perception:

H2 GAMBLING CAPITAL

- **R\$38.2bn** (~€5.9bn) in regulated online betting and gaming revenue for the Brazilian market in 2025

VIXIO REGULATORY INTELLIGENCE

- **US\$2.9bn** (~€2.7bn) in gross revenue in the first regulated year
- Revenue exceeding **US\$6.3bn** (~€5.9bn) by 2028

Taken together, these projections created an industry consensus: once formalised, the Brazilian market would quickly reach significant scale.

MARKET EXPECTATIONS BEFORE REGULATION



R\$38.2BN
(~€5.9BN)

Projected Market
Revenue In 2025



US\$2.9BN
(~€2.7BN)

Projected Market
Revenue In 2025



“When the sector was legalized, it was already possible to foresee what could happen once regulation was implemented: Brazil becoming one of the world’s leading markets.”

CARLOS CARDAMA
CO-FOUNDER, BIS SIGMA SOUTH AMERICA

2. MARKET EXPECTATIONS BEFORE REGULATION

— 2.4 Player Expectations

Although less formally documented, player expectations before launch were shaped by years of offshore activity.

According to the industry voices heard in this report, player expectations revolved around two main dimensions: **greater protection** and **preserving the value of the betting experience**.

ON ONE SIDE, REGULATION WAS EXPECTED TO DELIVER:

- Faster and safer withdrawals
- Legal recourse in case of disputes
- Clear terms and conditions
- Identity verification to reduce fraud
- Structured responsible gaming tools

At the same time, players expected the regulated environment to preserve the elements that had made offshore platforms attractive:

- Competitive odds
- Continued bonuses and promotions
- Low-friction onboarding
- Broad market availability, including live betting, micro-markets and accumulators

In simple terms, bettors expected regulation to improve safety and trust **without reducing the quality or flexibility of the betting experience**.

2. MARKET EXPECTATIONS BEFORE REGULATION

— 2.4 Player Expectations

PLAYER EXPECTATIONS BEFORE REGULATION

PROTECTION & TRUST	BETTING EXPERIENCE
 Faster And Safer Withdrawals	 Competitive Odds
 Legal Recourse In Disputes	 Bonuses And Promotions
 Clear Terms And Conditions	 Low-Friction Onboarding
 Identity Verification (Anti-Fraud)	 Broad Market Availability (Live Betting, Micro-Markets, Accumulators)
 Responsible Gaming Tools	



“Brazilian bettors value entertainment. It is not only about competitive odds; it is about experience, narrative, and interaction.”

PEDRO FEITOSA
PROFESSIONAL TIPSTER & TRADER

3. MARKET REALITY AFTER YEAR ONE

The previous chapter examined the **expectations surrounding Brazil's regulated betting market before its launch.**

The next step is to look at what the market actually produced **in practice.**

With the market fully operational throughout **2025**, official data began to reveal the **scale of betting activity**, the **number of active players** and the **economic impact generated by the sector.**

This chapter analyses the **measurable results of the regulated market**, using data published by the **Secretariat of Prizes and Betting (SPA)** and leading betting and gaming consultancy **H2 Gambling Capital** to assess how the market actually performed during its **first full year.**



“The numbers surprised the government – but not the industry.”

CARLOS CARDAMA
CO-FOUNDER, BIS SIGMA SOUTH AMERICA

3. MARKET REALITY AFTER YEAR ONE

— 3.1 Expert Insight



The First Year Of The Regulated Market In Brazil: Lessons Operators Are Learning

BY FERNANDO GARITA
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CHIEF BUSINESS OFFICER (CBO) & BOARD MEMBER, MW PAY

The regulation of fixed-odds sports betting in Brazil marked the beginning of a new phase for the iGaming industry in Latin America. The country represents one of the largest potential markets in the world, with a population of more than 200 million people, high smartphone penetration, and a deeply rooted sports culture.

However, the first year of operations under a regulated regime has revealed a reality that is far more complex than many operators anticipated. The transition from a grey market to a regulated environment has brought structural, financial, and operational challenges that are forcing global and regional companies to rethink their strategies.

In practice, this first regulatory cycle is becoming a major strategic laboratory for understanding the real costs and competitive dynamics of the Brazilian market.

WHERE OPERATORS UNDERESTIMATED THE COMPLEXITY OF THE REGULATED MARKET

Many operators entered the Brazilian market with an optimistic view based on the size of the population and the history of betting activity in offshore environments. However, operating in a regulated market introduces a layer of complexity that goes far beyond simply offering a product.

Compliance requirements, integration with local systems, the fiscal structure, regulatory monitoring, and responsible gaming obligations have created a significantly more sophisticated operational environment. In addition, adapting to rules around communication, marketing, and advertising has reduced some of the flexibility that companies previously had.

Another factor that was frequently underestimated was the need for a robust local operational infrastructure. From customer service in Portuguese to anti-fraud systems adapted to Brazilian consumer behaviour, many companies have realised that operating in the market requires more local investment than initially planned. >>

3. MARKET REALITY AFTER YEAR ONE

— 3.1 Expert Insight

COST STRUCTURE VS. INITIAL PROJECTIONS

The cost structure of the Brazilian market has been one of the most sensitive points for operators during the first year of regulation.

Between licences, taxes, regulatory compliance, technical certifications, monitoring systems, and integration with local payment methods, the real operational cost has proven to be significantly higher than the initial projections made by several operators.

Additionally, the cost of technological infrastructure and compliance – including KYC, AML, and transaction monitoring – has increased operational complexity and reduced the margins anticipated in original business plans.

Another relevant element is the cost associated with the working capital required to sustain user acquisition campaigns in a highly competitive environment.

THE REALITY OF MARKETING AND CUSTOMER ACQUISITION

Perhaps the biggest strategic shock for many operators has been the real cost of acquiring customers.

With dozens of operators competing simultaneously for visibility, the Brazilian market has quickly become one of the most competitive marketing environments in the global betting sector.

Sports sponsorships, influencer campaigns, affiliates, programmatic media, and promotional bonuses have significantly increased the cost per acquisition (CPA). In many cases, the amount required to acquire an active customer has exceeded operators' initial expectations.

In addition, Brazilian consumers show behaviour that is highly sensitive to promotions and bonuses, which increases movement between platforms and makes it more difficult to build loyalty in the short term. >>

3. MARKET REALITY AFTER YEAR ONE

— 3.1 Expert Insight

PRESSURE ON MARGINS

The combination of regulatory costs, operational expenses, and heavy marketing investment has created direct pressure on operators' margins.

Even companies with extensive international experience are facing challenges in achieving profitability in the short term. In some cases, net margins during the first operational cycle are significantly below expectations.

This pressure is amplified by the fact that many operators need to compete simultaneously on price, promotions, and product quality, which further limits their ability to expand margins.

In this context, operational efficiency and strategic cost management become critical survival factors in the market.

THE RETENTION VS ACQUISITION CHALLENGE IN THE FIRST YEAR

During the first year, much of the operators' focus was concentrated on rapid user acquisition. However, this strategy has shown important limitations.

Player retention in the Brazilian market is proving to be a structural challenge. Strong competition, the ease of opening accounts across multiple platforms, and the constant availability of bonuses make the customer lifecycle shorter than many operators expected.

As a result, the sustainability of business models will increasingly depend on the ability to increase customer lifetime value (LTV) through more sophisticated retention strategies.

Loyalty programmes, personalisation of the user experience, improvements in product offerings, and integration with efficient payment solutions will be fundamental elements to increase retention and reduce excessive dependence on paid acquisition.

CONCLUSION

The regulated Brazilian market continues to represent one of the largest global opportunities for the betting industry. However, the first year of operations has shown that market size does not eliminate its complexity.

Operators that manage to adjust their strategies, control costs, and develop a more sophisticated retention approach will have a greater chance of consolidating their positions in the market in the coming years.

More than a race for market share, the second year of Brazilian regulation will likely mark the beginning of a phase of consolidation and strategic maturity within the sector. ■

3. MARKET REALITY AFTER YEAR ONE

3.2 Market Size

According to official data from the Secretariat of Prizes and Betting (SPA), licensed operators generated:

- **R\$36.96 billion (~€5.7bn)** in Gross Gaming Revenue (GGR) during 2025

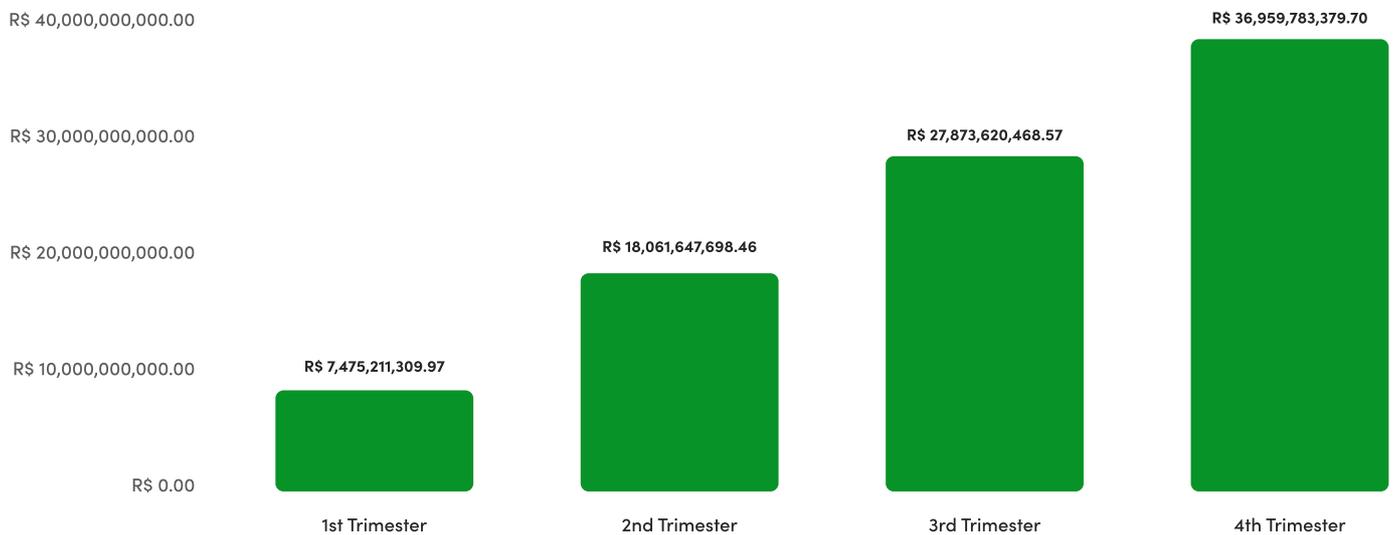
This represents the revenue retained by operators after winnings are paid to players and provides the first comprehensive official measurement of the regulated betting market.

SPA data also shows how revenue accumulated throughout the year. The regulator’s quarterly progression highlights a steady expansion of activity:

- Q1: R\$7.48bn (~€1.16bn)
- Q2: R\$18.06bn (~€2.79bn)
- Q3: R\$27.87bn (~€4.31bn)
- Q4: R\$36.96bn (~€5.71bn)

Rather than peaking early and flattening, the market expanded progressively across the year. The strongest growth occurred after the first quarter, suggesting that while betting demand already existed before regulation, activity accelerated as operators scaled operations.

QUARTERLY GROWTH OF BRAZIL’S SPORTS BETTING GGR



“The legal onshore market generated 37 billion BRL (€5.72bn) in GGR for 2025, representing nearly 5% of the global onshore market.”

ED BIRKIN
MANAGING DIRECTOR, H2 GAMBLING CAPITAL

3. MARKET REALITY AFTER YEAR ONE

— 3.3 Market Participation

Beyond total revenue, the first year of regulation also provides a clear view on how many people are actively participating in Brazil's betting market.

According to data reported by licensed operators through the **Betting Management System (SIGAP)**:

25.245319 unique bettors placed bets during 2025

This figure represents the number of individual bettors identified through their **CPF (Brazilian taxpayer identification number)**, allowing regulators to measure participation at a national level for the first time.

With Brazil's adult population estimated at roughly 170 million, this means that **around 15% of Brazilian adults engaged with sports betting during the first year of regulation.**

SCALE OF BETTING PARTICIPATION IN BRAZIL

25.2 MILLION

Unique Bettors
(Source: H2GC)

15%

Share Of Adult Population
Who Placed Bets

3. MARKET REALITY AFTER YEAR ONE

3.4 Demographic Structure

Regulatory reporting has also made it possible to analyse the demographic profile of Brazilian bettors for the first time.

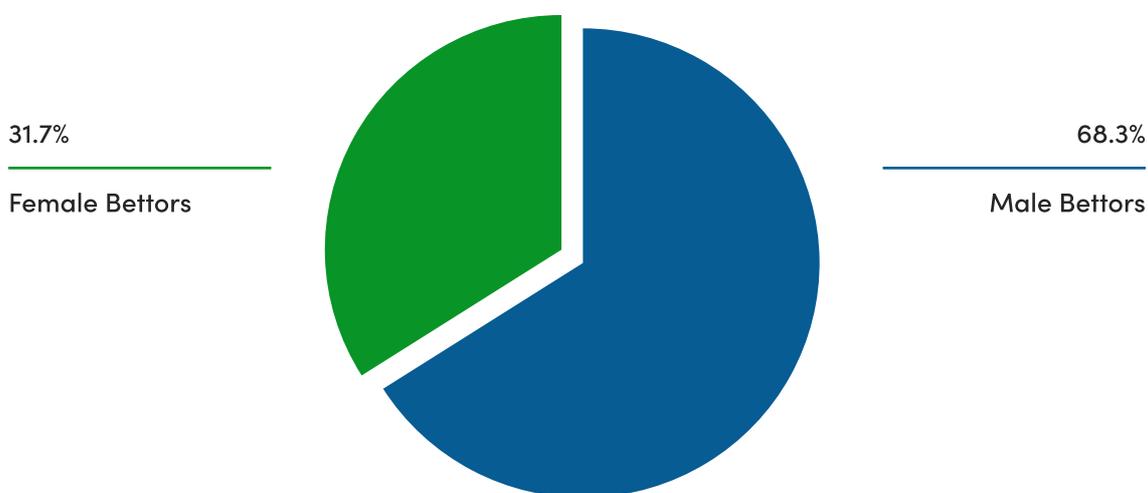
GENDER DISTRIBUTION

According to SPA data:

- **68.3%** of bettors are male
- **31.7%** are female

While sports betting remains predominantly male-driven, the level of female participation suggests that the market could broaden over time as betting platforms diversify their product offerings and marketing strategies.

GENDER DISTRIBUTION OF BRAZILIAN SPORTS BETTORS



3. MARKET REALITY AFTER YEAR ONE

3.4 Demographic Structure

AGE DISTRIBUTION

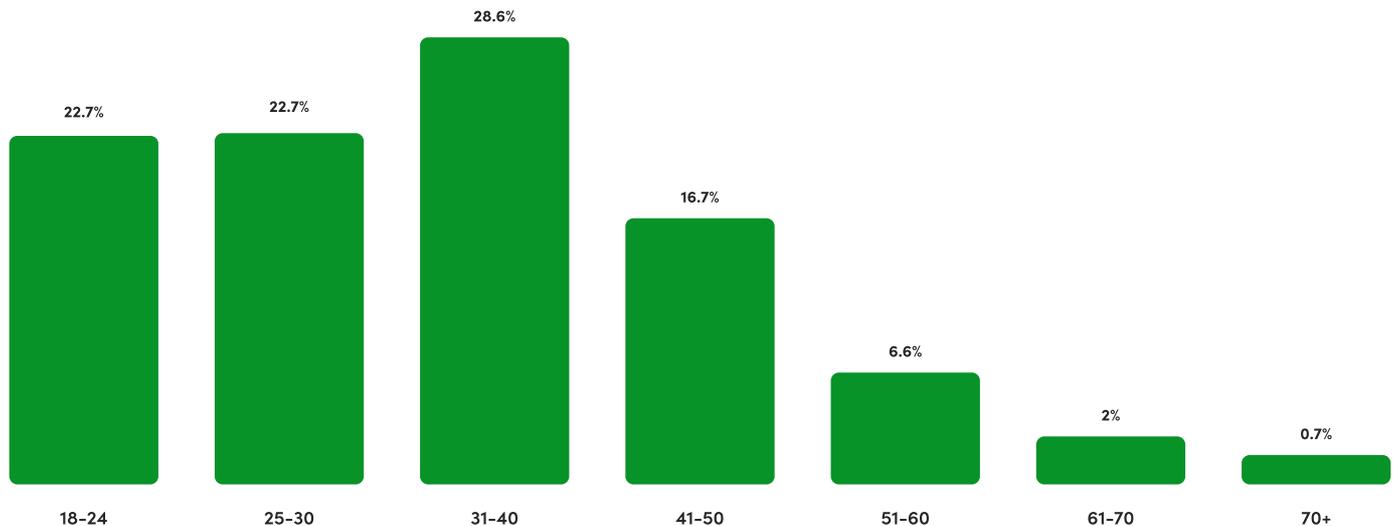
The age profile of Brazilian bettors shows a strong concentration among younger adults:

- 31–40 years: 28.6%
- 18–24 years: 22.7%
- 25–30 years: 22.7%
- 41–50 years: 16.7%
- 51–60 years: 6.6%
- 61+ years: 2.7%

Overall, almost **75% of bettors are under the age of 40**, reinforcing the close relationship between sports betting and digitally active, mobile-first audiences.

This demographic structure helps explain the rapid adoption of online betting platforms and suggests that the market's growth trajectory will remain linked to digital engagement trends.

AGE DISTRIBUTION OF BRAZILIAN SPORTS BETTORS



3. MARKET REALITY AFTER YEAR ONE

— 3.5 Player Behaviour

Another important insight from the regulator's dataset concerns how Brazilian bettors interact with betting platforms.

While **25.2 million individuals placed bets in 2025**, the number of active accounts recorded across operators was significantly higher:

OPERATOR VS BRAND-LEVEL BETTING ACCOUNTS

Active Accounts at Operator Level - **87.671.439**

Active Accounts Across Betting Platforms - **100.775.427**

87.6 Million

Active Operator Accounts

100.7 Million

Active Brand-Level
Betting Accounts

These figures imply that bettors frequently maintain accounts across multiple betting platforms.

3. MARKET REALITY AFTER YEAR ONE

3.5 Player Behaviour

Data published by the SPA also shows how fragmented player activity is across operators:

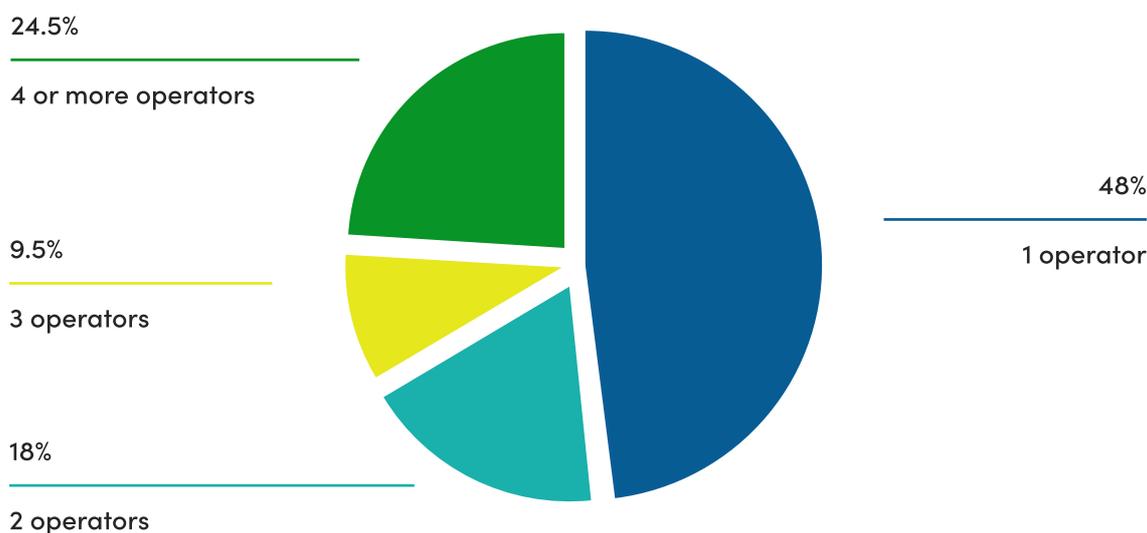
- 48% use **only one operator**
- 18% use **two operators**
- 9.5% use **three operators**
- 24.5% use **four or more operators**

In other words, **more than half of bettors (52%) use multiple operators, and nearly one in four players maintains accounts with four or more platforms.**

This competitive environment reflects a market where players actively compare platforms rather than committing to a single operator, a dynamic linked to the structure of the operator landscape itself.

Multi-account behaviour is common in newly regulated markets where operators compete aggressively for market share. Over time, competitive dynamics typically evolve as leading brands consolidate their positions and customer loyalty strengthens.

NUMBER OF BETTING OPERATORS USED BY PLAYERS



3. MARKET REALITY AFTER YEAR ONE

— 3.6 Market Structure and Operators

Understanding the market also requires examining the structure of the operator landscape that emerged during the first year of regulation.

Before the market launch, **114 companies submitted licence applications to operate in Brazil.**

When the regulated market officially opened in **January 2025:**

- **14 operators received definitive licences**
- **52 operators received provisional authorisation**

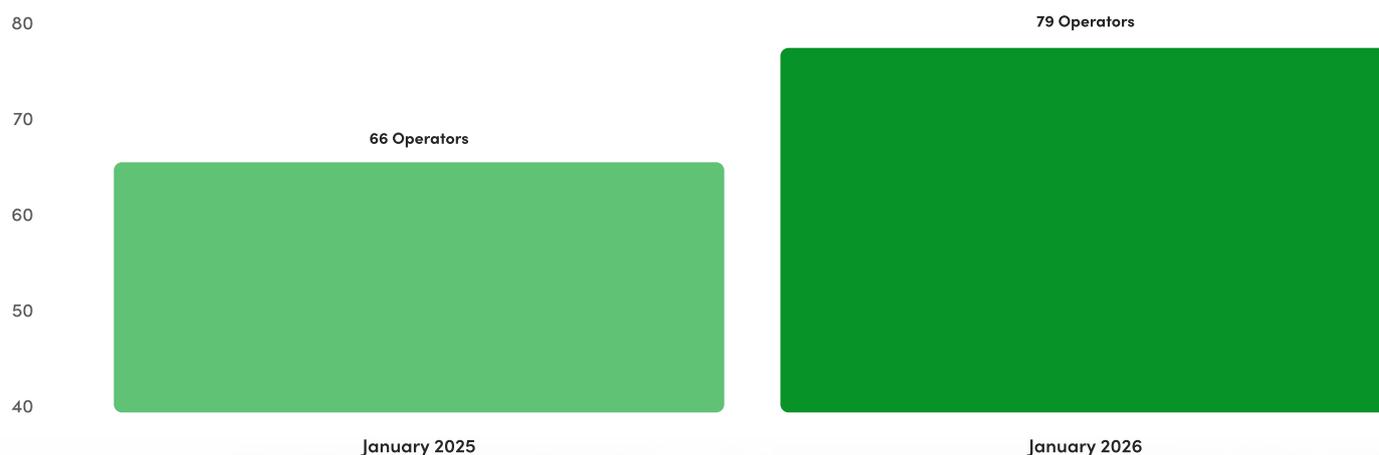
By **the end of the first regulated year**, the number of active licensed operators had reached:

- **79 companies reporting activity to the regulator**

This progression highlights how the market expanded during its first year as more operators completed licensing and began reporting activity through the regulator’s monitoring systems.

The relatively high number of operators also helps explain the fragmented player behaviour observed earlier, with bettors maintaining accounts across multiple brands.

GROWTH IN LICENSED BETTING OPERATORS

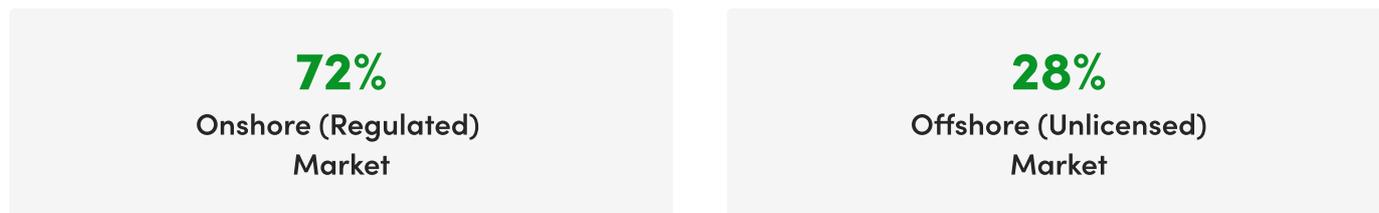


3. MARKET REALITY AFTER YEAR ONE

— 3.7 Channelisation

Another key indicator for evaluating the effectiveness of Brazil’s regulatory framework is **channelisation**, the share of betting activity that takes place within licensed operators rather than offshore platforms.

According to **H2 Gambling Capital data**, in **2025** the structure of the online betting market was:



This means that nearly **three quarters of all online betting activity was already taking place within the regulated ecosystem.**

For a market in its first year of operation, this represents a relatively strong level of channelisation. The shift reflects the rapid expansion of licensed operators and the introduction of enforcement measures targeting illegal platforms.

At the same time, the remaining offshore share shows that **a meaningful portion of activity still occurs outside the regulated market**, highlighting the continued importance of enforcement and competitive product offerings in sustaining long-term channelisation.



“It is clear that a significant portion of the market has been successfully channelised.”

MAGNHO JOSÉ
EDITOR, BNLDATA | PRESIDENT, BRAZILIAN LEGAL GAMING INSTITUTE (IJL)

3. MARKET REALITY AFTER YEAR ONE

3.8 Economic Contribution

As the number of licensed operators expanded and betting activity scaled throughout the year, the first year of regulation also revealed the fiscal impact of the betting sector.

According to Brazil's Federal Revenue Service, betting operators contributed approximately:

- **R\$9.95 billion (~€1.54 billion) in taxes and statutory contributions during 2025**

This includes:

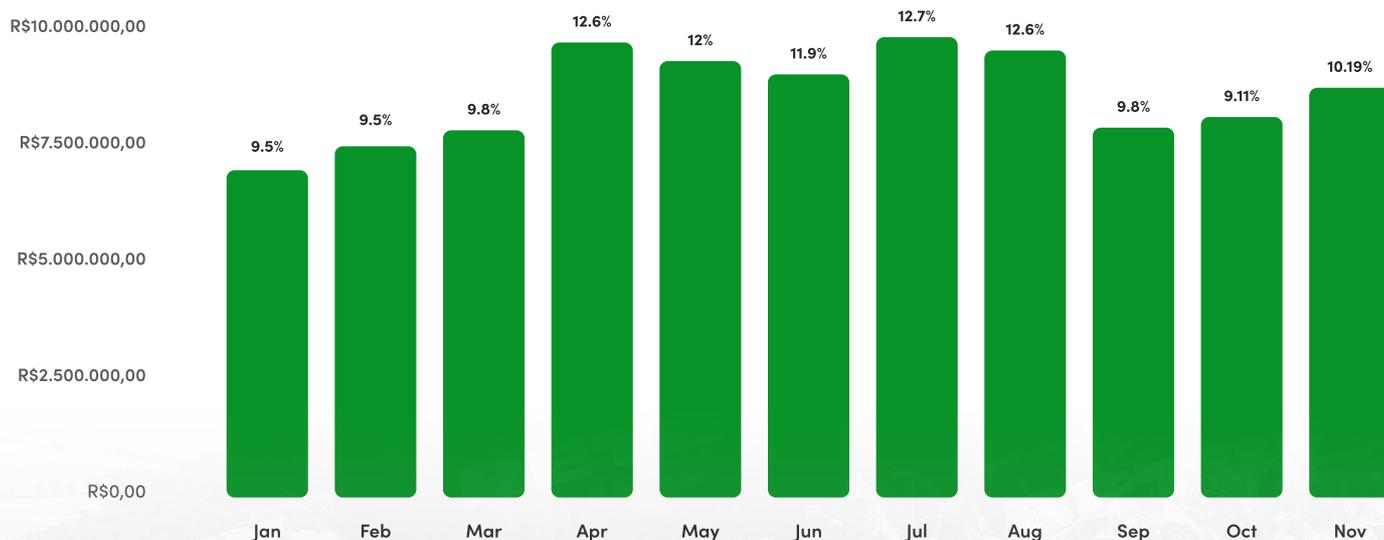
- **R\$4.5 billion (~€700 million) from the mandatory 12% allocation of GGR to legally designated public funds**
- Federal taxes including **corporate income tax (IRPJ) and social contribution on net profit (CSLL)**
- **PIS/Cofins** and other social contributions

In addition, operators paid:

- **R\$2.5 billion (~€450 million) in licensing fees**
- **R\$95.5 million (~€17 million) in regulatory supervision fees**

These figures demonstrate how quickly the regulated betting sector became a **meaningful source of public revenue**, reinforcing one of the central policy objectives behind Brazil's regulatory framework.

MONTHLY BETTING TAX REVENUE DISTRIBUTION



3. MARKET REALITY AFTER YEAR ONE

3.8 Economic Contribution

ALLOCATION OF BETTING REVENUE

These resources were distributed across several public sectors, linking betting regulation to broader social and economic initiatives.

The largest share of funds was directed to **sport development**, which received **R\$1.63 billion (€251 million)**, reinforcing the connection between sports betting and the financing of Brazil's sports ecosystem.

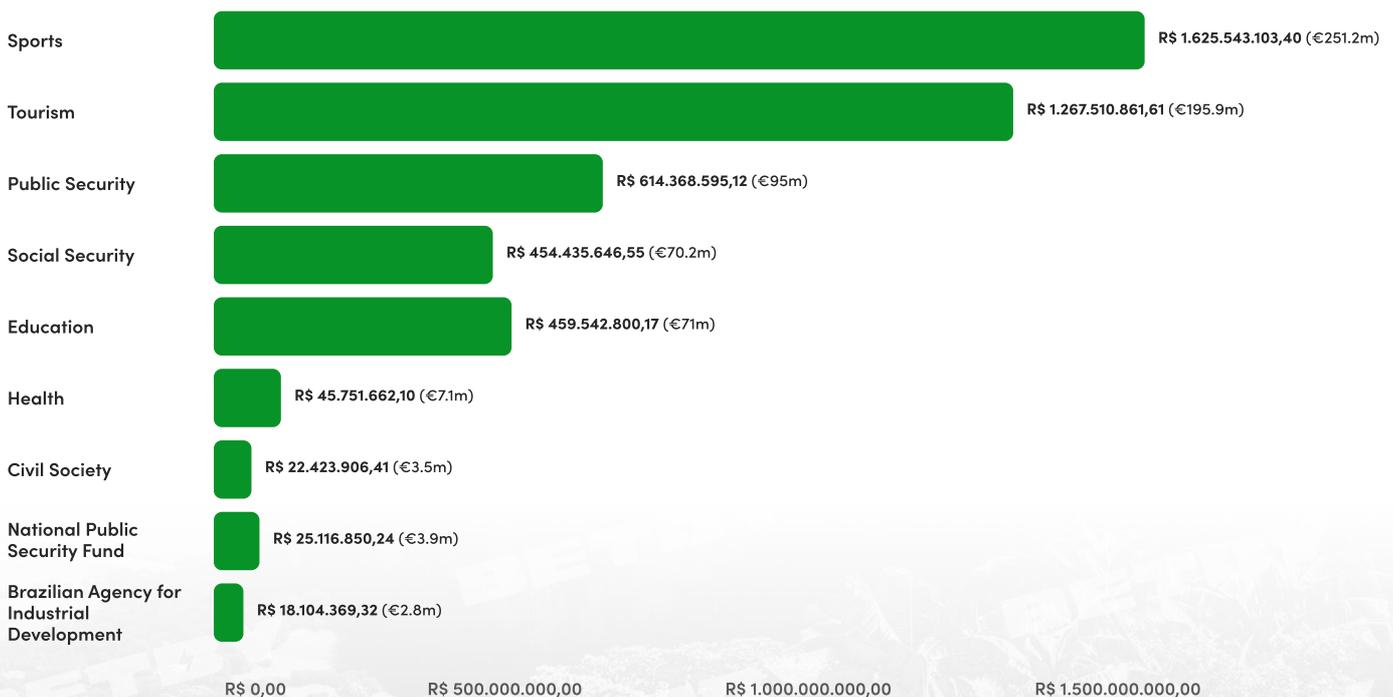
Other major allocations included:

- **Tourism:** R\$1.27 billion (~€196 million)
- **Public Security:** R\$614.4 million (~€95 million)
- **Education:** R\$459.5 million (~€71 million)
- **Social Security:** R\$454.4 million (~€70 million)

Smaller allocations were directed toward **public health programmes, civil society organisations, national policing funds and industrial development initiatives.**

This distribution illustrates how betting regulation in Brazil was designed not only as a revenue-generating activity, but also as a mechanism for funding multiple areas of public policy, just like in other countries such as Colombia.

DISTRIBUTION OF THE 12% GGR ALLOCATION ACROSS PUBLIC SECTORS



3. MARKET REALITY AFTER YEAR ONE

— 3.9 Market Supervision and Enforcement

While the allocation of betting revenue highlights the sector’s contribution to public finances, the first year of regulation also marked the transition to active supervision of market participants.

During 2025, the **Secretariat of Prizes and Betting (SPA)** implemented monitoring systems and began conducting inspections across licensed operators and related entities.

OPERATOR SUPERVISION

According to SPA data, in 2025:

- **132 inspection processes** were initiated
- **133 betting entities** were involved
- **78 operator agents** were monitored
- **80 administrative sanctioning procedures** were opened

These numbers indicate that supervision moved beyond reactive oversight toward **structured inspections and administrative enforcement**, becoming part of the regulator’s routine monitoring activities.

132

Inspection
Processes

78

Operator Agents
Monitored

133

Betting Entities
Investigated

80

Administrative
Sanctioning
Procedures

3. MARKET REALITY AFTER YEAR ONE

3.9 Market Supervision and Enforcement

FINANCIAL SYSTEM MONITORING

Enforcement also expanded into the financial ecosystem, reflecting the regulator's efforts to prevent illegal operators from accessing Brazil's payment infrastructure.

Financial monitoring activities involved:

- **54 financial institutions** submitting reports to the regulator
- **1255 suspicious transaction notifications**
- **1687 individuals flagged** for potential links to illegal betting activity
- **265 illegal operators identified**
- **550 bank accounts closed**

Through this process, banks and payment institutions became active participants in identifying and blocking financial flows linked to unauthorised betting operations.

Authorities also intensified actions against illegal online operators. In cooperation with the **National Telecommunications Agency (Anatel)**, regulators reported that:

- **25000 illegal betting websites were blocked** by December 2025

Website blocking became a continuous enforcement activity throughout the year, aimed at reducing the visibility and accessibility of unlicensed platforms.



Reports

54 financial and payment institutions submitted 1255 reports related to suspected illegal betting activity



Individuals Identified

Reports involved 1687 individuals and legal entities



Illegal Operators Identified

Analysis led to the identification of 265 illegal operators



Bank Accounts Closed

550 bank accounts were closed

3. MARKET REALITY AFTER YEAR ONE

— 3.9 Market Supervision and Enforcement

DIGITAL PROMOTION MONITORING

Regulators also addressed the growing role of digital promotion in the betting market.

According to the SPA, oversight of social media advertising and influencer marketing resulted in:

- **412 inspection processes involving influencers**
- **324 social media profiles removed**
- **229 promotional publications taken down**

These actions illustrate how Brazil moved beyond rulemaking and into **systematic market supervision**, with enforcement extending across operators, financial institutions and digital marketing channels.

412

Investigations Involving
Digital Influencers

229

Promotional
Contents Removed

324

Social Media
Profiles Removed

3. MARKET REALITY AFTER YEAR ONE

3.10 Responsible Gaming

The first year of regulation also saw the implementation of new tools designed to protect players and reduce gambling-related harm.

A key milestone occurred in **December 2025**, when Brazil launched a **centralised self-exclusion platform** allowing individuals to block their **CPF (Brazilian taxpayer identification number)** across all licensed betting operators simultaneously.

Integrated with the federal government’s digital identity system, the platform enables individuals to voluntarily request the suspension of access to all authorised betting platforms and prevents the creation of new accounts under the same CPF.

Within only the first 40 days of operation, the system recorded:

- **More than 217000 self-exclusion requests**

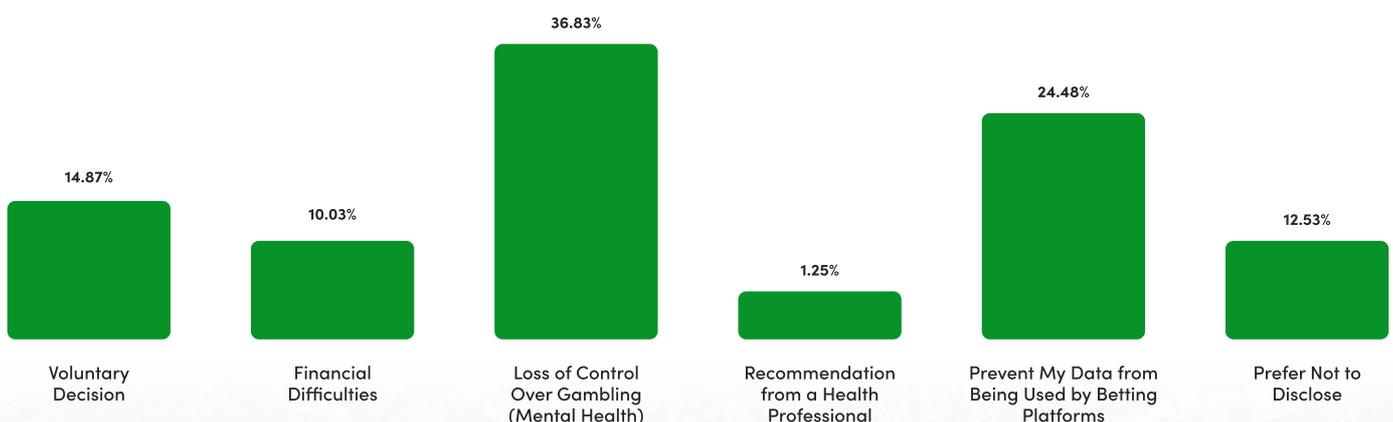
Data collected through the platform also provides insight into the motivations behind self-exclusion requests. The most frequently cited reason was:

- **Loss of control over gambling associated with mental health concerns (36.8%)**

Other reported motivations include:

- **Prevent personal data from being used by betting platforms (24.5%)**
- **Voluntary decision to suspend betting activity (14.9%)**
- **Users who chose not to disclose a reason (12.5%)**
- **Financial difficulties (10%)**

REASONS FOR SELF-EXCLUSION



3. MARKET REALITY AFTER YEAR ONE

3.10 Responsible Gaming

The platform also allows individuals to select the duration of their self-exclusion period, with available options range from short-term suspensions to indefinite exclusion.

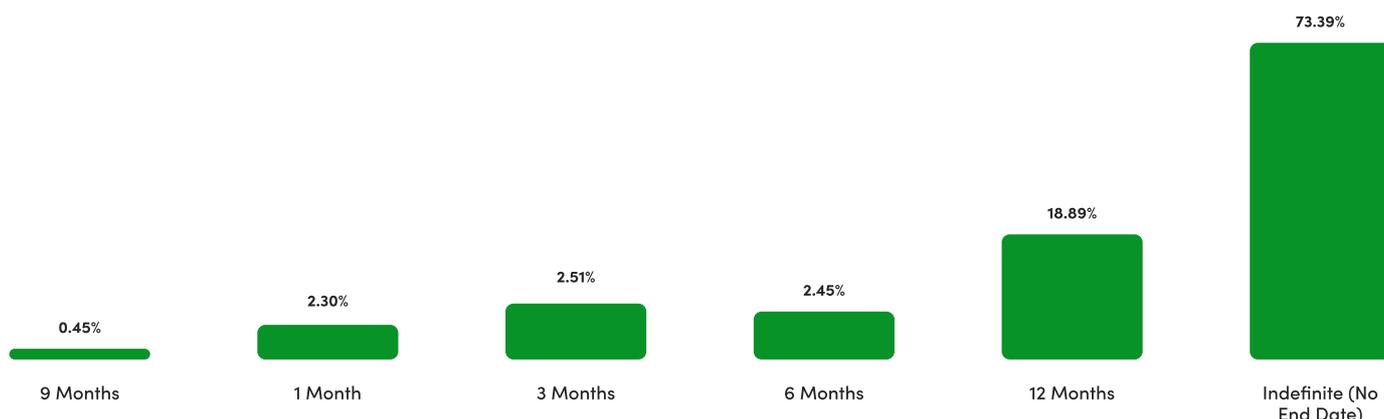
Data from the first weeks of operation shows a clear preference for longer exclusion periods:

- **Indefinite exclusion: 73.4%**
- **12 months: 18.9%**
- **6 months: 2.5%**
- **3 months: 2.5%**
- **1 month: 2.3%**
- **9 months: 0.5%**

The high share of indefinite requests suggests that the platform is primarily used by individuals seeking **long-term disengagement from betting activity**, reinforcing the role of the system as a preventive mechanism within Brazil's responsible gaming framework.

These indicators show that responsible gaming measures were not only embedded in the regulatory framework but also **rapidly adopted once operational tools became available to players**.

SELF-EXCLUSION PERIODS



3. MARKET REALITY AFTER YEAR ONE

— 3.11 Interpreting the First Year

By the end of 2025, the regulated market had already reached substantial scale:

- **R\$36.96bn (~€5.71bn) in annual Gross Gaming Revenue**
- **25.2 million individual bettors**
- **More than 100 million betting accounts across licensed platforms**
- **79 licensed operators reporting activity**

These indicators confirm that regulation formalised an already active market and rapidly brought it under measurable regulatory oversight.

The data also reveals several structural characteristics of the Brazilian market:

- **High participation**, with roughly **15% of the adult population** engaging with sports betting
- **A young and digitally active player base**, with nearly **three quarters of bettors under the age of 40**
- **Strong competition between operators**, reflected in widespread multi-account behaviour
- **High early channelisation**, with around **72% of online betting activity occurring through licensed operators**
- **Significant fiscal contribution**, with nearly **R\$10 billion (~€1.54 billion) in taxes and statutory contributions** generated during the first year

At the same time, the regulatory framework moved quickly to implementation. Enforcement activity, financial monitoring, advertising supervision and the launch of a national self-exclusion platform all demonstrate how Brazil's betting regulation became operational across multiple layers.

R\$36.96bn

(~€5.71bn) Gross
Gaming Revenue

25.2

Million
Individual Bettors

100+

Million Betting Accounts
Across Licensed Platforms

79

Licensed Operators
Reporting Activity



“There is still significant room for growth — provided that legal, institutional, and tax certainty are maintained.”

CARLOS CARDAMA
CO-FOUNDER, BIS SIGMA SOUTH AMERICA

3. MARKET REALITY AFTER YEAR ONE

3.12 Expectation vs Reality

By the end of the first regulated year, Brazil’s betting market had produced enough official and market-level data to test the assumptions that surrounded its launch.

Some expectations were clearly supported, while others proved only partially correct. In several areas, the first year confirmed the scale of the opportunity but also exposed a more complex operating environment than many stakeholders had anticipated.

SELF-EXCLUSION PERIODS

PILLAR	EXPECTATION	REALITY AFTER YEAR ONE	OUTCOME
Government – Fiscal Revenue	Regulation could generate ~R\$2bn (~€309m) annually, with R\$6bn–R\$12bn (~€927m–€1.85bn) potential in a mature market	R\$9.95bn (~€1.54bn) generated in taxes and statutory contributions in 2025	Expectation exceeded
Government – Channelisation	Regulation would migrate betting activity from offshore platforms into the regulated market	72% of betting activity occurred on licensed platforms	Strong early channelisation
Government – Market Supervision	Regulation would enable traceability and monitoring of betting activity	SIGAP reporting, 132 inspections, 1255 suspicious transaction reports, 25000 illegal sites blocked	Expectation confirmed
Government – Consumer Protection	Regulation would introduce stronger safeguards for bettors	National self-exclusion platform launched with 217000+ requests in the first weeks	Expectation confirmed
Market – Market Forecasts	H2 Gambling Capital projected R\$38.2bn (~€5.9bn) in regulated market revenue	Actual regulated revenue reached R\$36.96bn (~€5.71bn)	Forecast broadly accurate
Player – Protection	Regulation would improve safety and trust	Identity verification, regulatory oversight and national self-exclusion implemented	Expectation confirmed
Player – Product Value	Players expected regulation without losing product competitiveness (odds, bonuses, markets)	Offshore platforms still attract players for bonuses, pricing and product depth	Partially confirmed



“The first regulatory cycle is becoming a major strategic laboratory for understanding the real costs and competitive dynamics of the Brazilian market.”

FERNANDO GARITA
MANAGING PARTNER & CO-FOUNDER, KABATA GROUP
CHIEF BUSINESS OFFICER (CBO) & BOARD MEMBER, MW PAY

4. HOW REGULATION CHANGED THE PLAYER EXPERIENCE

The previous chapter examined the **performance of Brazil's regulated betting market during its first year**, analysing **market size, participation and industry activity** based on official data. Understanding the broader impact of regulation, however, also requires looking at the market **from the player's perspective**.

To do so, this chapter draws on a **nationwide consumer survey conducted by H2 Gambling Capital**, covering **active Brazilian online gambling users** across different spending levels, from **low-frequency players to high-value bettors**.



Watch H2GC's Ed Birkin break down the current state of the Brazilian market and share his expectations for how it will evolve in the coming months.

[▶ Watch The Video](#)

4. HOW REGULATION CHANGED THE PLAYER EXPERIENCE

4.1 Expert Insight



Brazil's Betting Market After Year One: Size, Structure And Growth Outlook

BY ED BIRKIN
MANAGING DIRECTOR, H2 GAMBLING CAPITAL

REGULATION IMPACT

While growth was 25% in 2025 (reaching 52 billion BRL), this was lower than some expectations because significant growth occurred pre-regulation (market grew 50-67% annually between 2021-2024).

CHANNELISATION

Onshore penetration is estimated at 72% (approx. 15 billion BRL remains in the illegal market).



CURRENT VALUATION

The legal onshore market generated 37 billion BRL (\$6.6 billion USD) in GGR for 2025, representing nearly 5% of the global onshore market.

2026 OUTLOOK

The legal market is expected to be flat or fall slightly due to a ban on social welfare recipients (approx. 5 million players/20% of the market) from using licensed operators. This creates a headwind of roughly 6 billion BRL.

REGULATION IMPACT

While growth was 25% in 2025 (reaching 52 billion BRL), this was lower than some expectations because significant growth occurred pre-regulation (market grew 50-67% annually between 2021-2024).



4. HOW REGULATION CHANGED THE PLAYER EXPERIENCE

4.1 Expert Insight

ACTIVE PLAYERS

25 million active players in 2025 (15% of the adult population), which aligns with mature markets like the UK.



ACCOUNT USAGE

Average of 3.5 accounts per player, though half of players only have one. High-spenders drive the multi-account average.



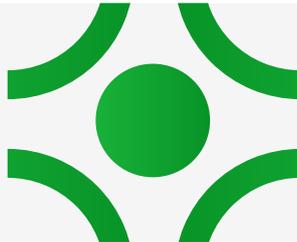
ACQUISITION

Over 30% of players find operators via social media/influencers; 8% via WhatsApp. Affiliates play a smaller role than in other global markets.



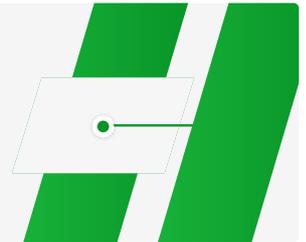
SPORTS BETTING

Football is the dominant spend. Notably, Futsal accounts for ~10% of spend. MMA and Boxing also over-index compared to international averages.



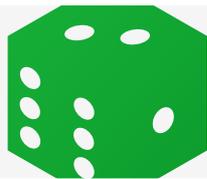
BARRIERS TO ENTRY

Being an international brand in other LatAm markets (Mexico, Chile) provides little advantage due to Brazil's unique cultural and linguistic complexities.



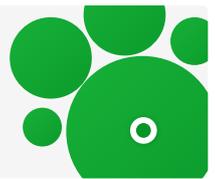
iGAMING

Crash games account for 13% of iGaming revenues in Brazil.



CONCENTRATION

The market is highly concentrated; the top three operators (mostly international brands with local teams) account for 44% of the market.



REGULATORY RISKS

Potential for further tightening of advertising regulations in the medium term.



4. HOW REGULATION CHANGED THE PLAYER EXPERIENCE

— 4.2 Brand Awareness

According to the H2 Gambling Capital survey, brand awareness in Brazil is concentrated among a relatively small group of operators, led by brands that have a strong international reputation.

The brands most frequently mentioned by players were:

- **Betano: 22%**
- **bet365: 12%**
- **Sportingbet: 8%**
- **Betnacional: 7%**
- **Superbet: 6%**
- **Blaze: 6%**
- **Esportes da Sorte: 5%**
- **Betfair: 4%**
- **Pixbet: 3%**
- **EstrelaBet: 3%**
- **Vaidebet: 2%**
- **Cassino Pix: 2%**
- **KTO: 2%**

Other results in the survey include:

- **Other licensed brands: 3%**
- **Unlicensed brands: 11%**

These results highlight three key points:

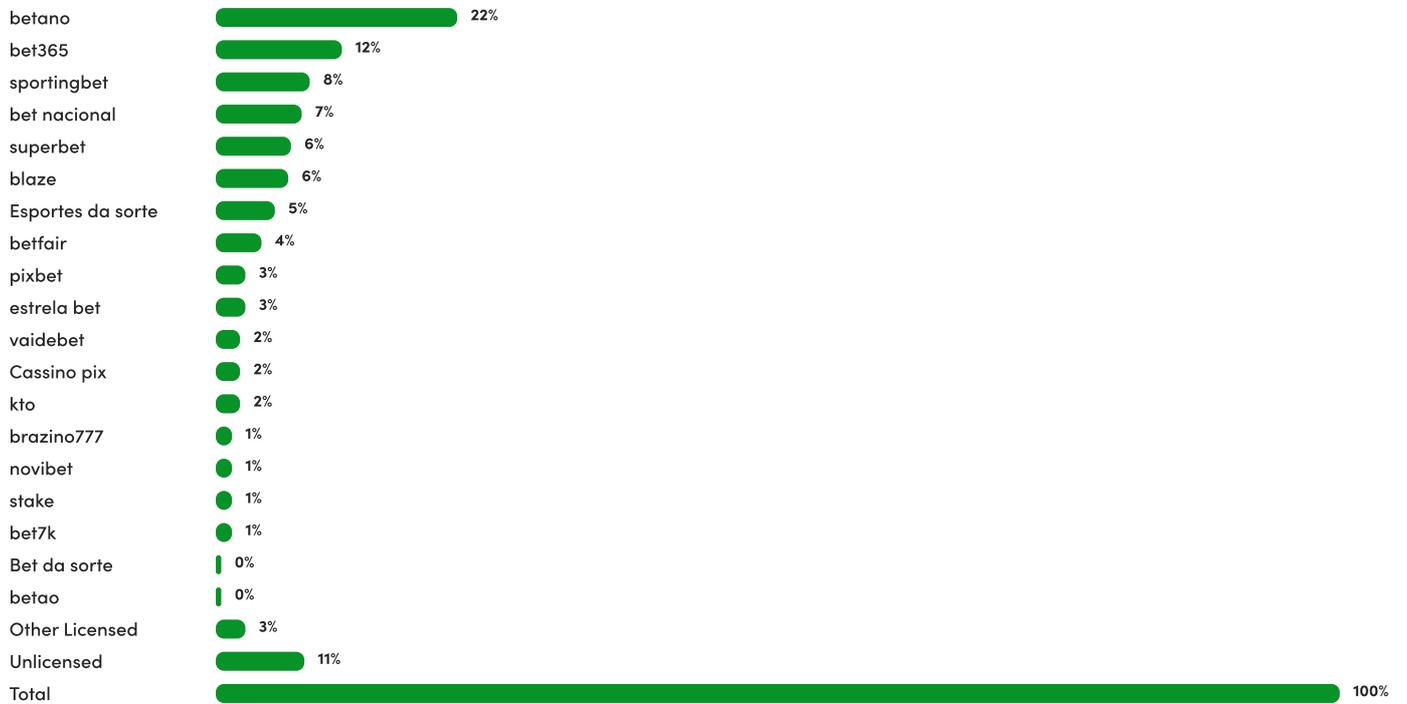
- **Betano clearly leads spontaneous recall**, with 22% of respondents naming the brand without prompting
- Awareness is **concentrated but still competitive**, with several brands in the 5-12% range competing for mindshare
- The presence of **11% unprompted awareness for unlicensed brands** shows that offshore operators remain visible to Brazilian players



4. HOW REGULATION CHANGED THE PLAYER EXPERIENCE

4.2 Brand Awareness

BRAND AWARENESS



“Over 30% of players find operators via social media and influencers.”

ED BIRKIN
MANAGING DIRECTOR, H2 GAMBLING CAPITAL



4. HOW REGULATION CHANGED THE PLAYER EXPERIENCE

4.3 Concentration of Spend

The H2 survey also highlights how betting activity is distributed across different spending levels.

While participation in the Brazilian market is broad, spending is concentrated among a smaller group of higher-value players:

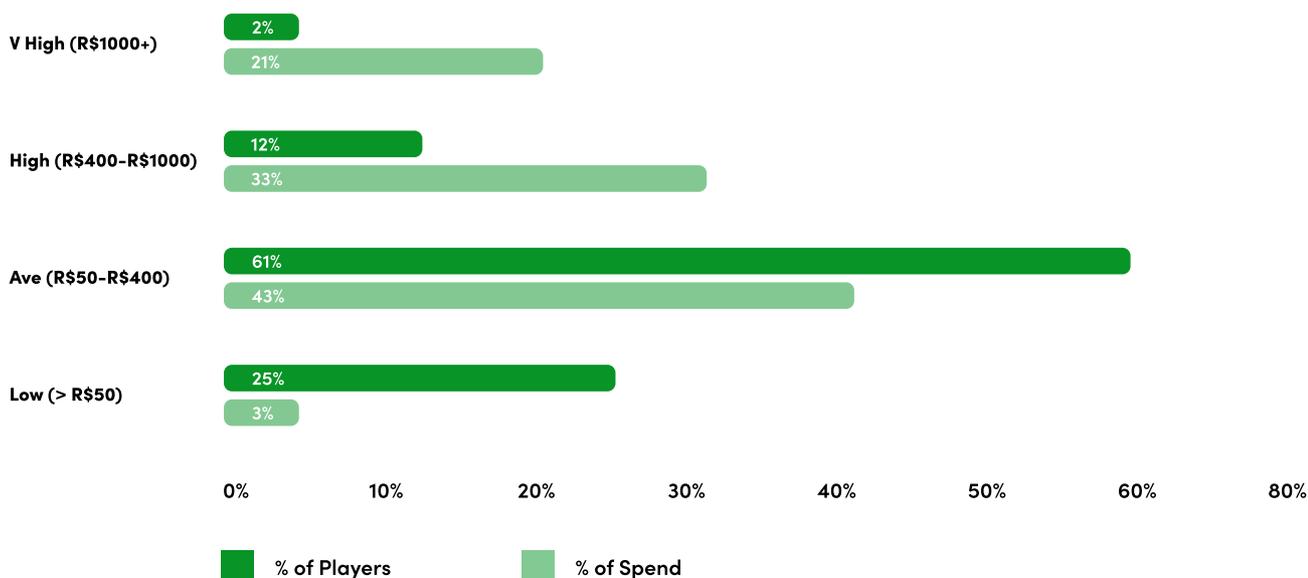
- **Low spenders (under R\$50/under €7.7):** 25% of players, 3% of spend
- **Average spenders (R\$50–R\$400/€7.7–€61.8):** 61% of players, 43% of spend
- **High spenders (R\$400–R\$1000/€61.8–€154.6):** 12% of players, 33% of spend
- **Very high spenders (over R\$1000/over €154.6):** 2% of players, 21% of spend

These figures illustrate a common pattern in betting markets: **the majority of players spend relatively small amounts, while a much smaller segment generates a disproportionate share of total activity.**

In Brazil’s case, just **14% of players (high and very high spenders)** account for **more than half of total betting spend**, highlighting the commercial importance of this segment.

At the same time, the large base of lower and mid-spending users remains essential for the market’s scale, supporting liquidity, brand reach and long-term player acquisition.

PLAYER WEEKLY SPEND



4. HOW REGULATION CHANGED THE PLAYER EXPERIENCE

— 4.4 Spend Demographics

While betting activity is concentrated across spending tiers, the H2 survey also reveals **how those spending levels differ across player demographics**, particularly between male and female bettors.

At the lowest spending levels, female players represent a slightly larger share of activity:

LOW SPENDERS

- **Women:** 51%
- **Men:** 49%

However, as spending increases, the gender balance changes noticeably:

AVERAGE SPENDERS

- **Men:** 57%
- **Women:** 43%

HIGH SPENDERS

- **Men:** 60%
- **Women:** 40%

VERY HIGH SPENDERS

- **Men:** 60%
- **Women:** 40%



4. HOW REGULATION CHANGED THE PLAYER EXPERIENCE

4.4 Spend Demographics

The pattern that emerges is clear: **as spending rises, the player base becomes increasingly male-dominated.**

Two key insights emerge from this shift:

- **Female players are well represented among recreational bettors**
- **Higher-value betting activity remains more concentrated among male players**

For operators, this distinction is important. While **female participation contributes significantly to the breadth of the player base**, the **highest-value segments of the market continue to skew more strongly male**, influencing both marketing strategies and product positioning.

WEEKLY SPEND BY GENDER

Player Weekly Spend	Men	Women
Total Market	55%	45%
Low (> R\$50)	49%	51%
Ave (R\$50-R\$400)	57%	43%
High (R\$400-R\$1000)	60%	40%
V High (R\$1000+)	60%	40%

4. HOW REGULATION CHANGED THE PLAYER EXPERIENCE

4.5 Choice of Operator

Differences in player profiles and spending behaviour also influence **how bettors choose which licensed platforms to use.**

According to the H2 survey, the main decision drivers are:

- **Brand awareness: 26%**
- **Bonus/welcome offers: 26%**
- **Ease of use: 17%**
- **Betting odds: 16%**
- **Betting/gaming product availability: 14%**

Overall, the results show that **marketing visibility and promotional offers play a central role in attracting players.**

However, the importance of these factors changes as spending increases.

- **Lower-spending players** are more influenced by **bonuses and ease of use**
- **Higher-spending players** place greater emphasis on **brand strength**
- Among **very high spenders**, **product availability is the most important factor**

This suggests that operator choice in Brazil evolves with player value: **acquisition is largely promotion-driven, while higher-value segments become increasingly product-driven.**

REASON FOR CHOICE OF OPERATOR

Player Weekly Spend	Brand awareness	Bonus / Welcome offers	Betting odds	Betting / gaming product available	Ease of use	Other
Total Market	26%	26%	16%	14%	17%	0%
Low (> R\$50)	22%	26%	16%	12%	23%	1%
Ave (R\$50-R\$400)	27%	27%	16%	14%	17%	0%
High (R\$400-R\$1000)	37%	24%	16%	13%	9%	1%
V High (R\$1000+)	15%	25%	15%	35%	10%	0%

4. HOW REGULATION CHANGED THE PLAYER EXPERIENCE

— 4.6 Choice of Unlicensed Operators

Even though most players now use licensed platforms, the H2 survey also provides insight into **why some bettors continue to engage with unlicensed operators.**

Among players who reported using offshore platforms, the main reasons were:

- **Higher bonuses/free bets: 25%**
- **Better odds/pricing: 21%**
- **Better product offering: 20%**
- **Fewer customer checks: 11%**
- **No tax on winnings: 9%**
- **Being blocked by licensed operators: 7%**
- **Betting on credit: 5%**
- **Using cryptocurrency: 3%**

The pattern is clear: players who remain active offshore are primarily motivated by **higher bonuses and better pricing.**

However, motivations vary significantly by spending level:

- **Low spenders** are sensitive to **bonuses (33%)**, suggesting that promotional incentives remain the strongest driver of offshore usage among casual players
- **Average spenders** show a more balanced mix of motivations, with **bonuses (23%)**, **product offering (21%)** and **odds (21%)** all playing a similar role
- **High spenders** continue to value **bonuses (27%)**, but show greater sensitivity to **reduced friction**, with **fewer customer checks reaching 16%**
- **Very high spenders** display a different profile altogether, with **better odds (38%)** and **product offering (25%)** emerging as the dominant reasons for offshore usage

These patterns suggest that **offshore appeal evolves with player value:**

- **Lower-value players respond primarily to promotions**
- **Higher-value players are more sensitive to pricing and product depth**

4. HOW REGULATION CHANGED THE PLAYER EXPERIENCE

4.6 Choice of Unlicensed Operators

REASON FOR CHOOSING UNLICENSED OPERATOR

Player Weekly Spend	Betting odds / pricing	Higher bonuses / free bets	I'm blocked with licensed operators	Better product offering	Fewer customer checks	Don't pay tax on winnings	I can bet on credit	I can use crypto currency
Total Market	21%	25%	7%	20%	11%	9%	5%	3%
Low (> R\$50)	15%	33%	4%	22%	7%	11%	4%	4%
Ave (R\$50-R\$400)	21%	23%	6%	21%	11%	7%	6%	4%
High (R\$400-R\$1000)	20%	27%	7%	16%	16%	11%	4%	0%
V High (R\$1000+)	38%	13%	13%	25%	0%	13%	0%	0%



“Brazilian consumers show behaviour that is highly sensitive to promotions and bonuses, which increases movement between platforms.”

FERNANDO GARITA
MANAGING PARTNER & CO-FOUNDER, KABATA GROUP
CHIEF BUSINESS OFFICER (CBO) & BOARD MEMBER, MW PAY

4. HOW REGULATION CHANGED THE PLAYER EXPERIENCE

4.7 Licensed vs Unlicensed Usage

Beyond why some players are attracted to offshore platforms, the H2 survey shows **how widely unlicensed operators are actually used across the market.**

Across the total market:

- **Only licensed operators: 69%**
- **Use both licensed and unlicensed operators: 16%**
- **Only unlicensed operators: 4%**
- **Unsure whether the operator is licensed: 11%**

These figures suggest that the majority of players have already migrated to the regulated ecosystem. However, at least **20% of bettors still interact with unlicensed platforms.**

The data also shows meaningful differences across spending tiers:

- **Low spenders:** 23% say they **do not know whether their operator is licensed**, indicating that regulatory awareness is weakest among more casual players
- **Average spenders:** 73% use **only licensed operators**, making this the **most strongly channelized segment** of the market
- **High spenders:** 28% use **both licensed and unlicensed operators**, suggesting greater platform switching in search of better odds, limits or product availability
- **Very high spenders:** offshore interaction increases further, with **9% using only unlicensed operators** and **27% using both licensed and offshore platforms**

The results suggest that **channelization is strongest among mid-level players**, while **higher-value bettors are more likely to move between licensed and offshore platforms.**

USE OF LICENSED VS UNLICENSED OPERATORS

Player Weekly Spend	No - I only use licensed operators	I use both licensed and unlicensed operators	I only use unlicensed operators	I don't know if an operator is licensed or not
Total Market	69%	16%	4%	11%
Low (> R\$50)	62%	11%	4%	23%
Ave (R\$50-R\$400)	73%	15%	4%	8%
High (R\$400-R\$1000)	64%	28%	2%	6%
V High (R\$1000+)	55%	27%	9%	9%

4. HOW REGULATION CHANGED THE PLAYER EXPERIENCE

4.8 Number of Accounts

Apart from the choice between licensed and unlicensed platforms, the H2 survey highlights how **many betting accounts players typically maintain**.

Account usage is distributed as follows:

- **1 account:** 28%
- **2 accounts:** 29%
- **3 accounts:** 24%
- **4 accounts:** 8%
- **5 or more accounts:** 11%

These results indicate that **multi-account behavior is widespread**, with the majority of bettors using more than one platform.

The pattern becomes more pronounced as spending increases:

- **Low spenders** are more likely to use a single platform, with **47% using only one account**
- **Average spenders** show greater diversification, with **30% using two accounts** and **25% using three accounts**
- **High spenders** also display different preferences, with **38% using three accounts** and **23% using five or more accounts**
- **Very high spenders** show the most clear multi-account behaviour, with **30% using four accounts** and **30% using five or more accounts**

The data shows a clear relationship between **spending intensity and platform diversification**: lower-value players tend to concentrate their activity on one or two platforms, while **higher-value bettors maintain multiple accounts** to compare odds, access promotions and manage betting limits across operators.

NUMBER OF PLAYER ACCOUNTS

Player Weekly Spend	1 Account	2 Account	3 Account	4 Account	5+ Accounts
Total Market	28%	29%	24%	8%	11%
Low (> R\$50)	47%	33%	14%	3%	3%
Ave (R\$50-R\$400)	25%	30%	25%	9%	11%
High (R\$400-R\$1000)	9%	19%	38%	11%	23%
V High (R\$1000+)	10%	10%	20%	30%	30%

4. HOW REGULATION CHANGED THE PLAYER EXPERIENCE

— 4.9 Why Brazilians Gamble

The H2 survey provides as well insight into **the motivations behind betting activity**, revealing a mix of recreational and profit-driven behaviour.

The main reasons cited for gambling are:

- **As a form of entertainment: 36%**
- **To make money: 35%**
- **To make sports events more interesting: 12%**
- **To compete against others: 11%**
- **To be sociable: 6%**

Overall, motivations are **balanced between entertainment and financial expectations**, suggesting that the Brazilian market combines both recreational and outcome-driven behaviour.

However, motivations shift as spending levels increase:

- **Low spenders** are primarily motivated by **entertainment (41%)**, although a significant share also report **trying to make money (38%)**
- **Average spenders** show an almost identical balance between **entertainment (36%)** and **profit motives (36%)**
- **High spenders** display more competitive engagement, with **14% citing competition** and **18% saying betting makes sports more interesting**
- **Very high** spenders show the strongest financial motivation, with **38% stating that they gamble primarily to make money**, compared with **21% who cite entertainment and competition**

Altogether, the results indicate that **lower-value players tend to approach betting as entertainment**, while **higher-value players are more likely to view gambling as a financial activity or competitive pursuit**.

4. HOW REGULATION CHANGED THE PLAYER EXPERIENCE

4.9 Why Brazilians Gamble

WHY BRAZILIANS GAMBLE

Player Weekly Spend	As a form of entertainment	To make money	To compete against others	To make sports events more interesting	To be sociable	Other
Total Market	36%	35%	11%	12%	6%	0%
Low (> R\$50)	41%	38%	8%	7%	6%	1%
Ave (R\$50-R\$400)	36%	36%	10%	12%	5%	0%
High (R\$400-R\$1000)	31%	28%	14%	18%	8%	2%
V High (R\$1000+)	21%	38%	21%	17%	4%	0%



“Users want to feel they have a strategic edge — not just luck.”

PEDRO FEITOSA
PROFESSIONAL TIPSTER & TRADER

4. HOW REGULATION CHANGED THE PLAYER EXPERIENCE

4.10 View on Advertising

Another topic on the H2 survey is how players perceive the **volume of gambling advertising in Brazil**, an issue that has become increasingly visible since the introduction of the regulated market.

Opinions are divided:

- **32% say the amount is somewhat excessive but manageable**
- **32% consider it a reasonable level that does not bother them**
- **29% believe there is far too much advertising and it should be reduced**
- **4% say they have no opinion or do not notice gambling advertising**
- **3% think there is not enough advertising**

This suggests that a majority of players perceive advertising levels as relatively high. In total, **61% describe advertising as excessive**, while roughly one-third consider it acceptable.

The results also vary across spending levels:

- **Low spenders** show the strongest negative reaction to advertising, with **41% saying there is far too much**
- **Average spenders** are more balanced, with views split between **manageable (32%)** and **reasonable levels (33%)**
- **High spenders** are the least concerned about advertising volume, with **49% describing it as a reasonable amount**
- **Very high spenders** show more mixed views, with **40% considering advertising reasonable but 30% still saying there is far too much**

This suggests that **advertising saturation is more strongly perceived by lower-spending players**, while higher-value bettors appear less sensitive to marketing exposure.

VIEW ON GAMBLING ADVERTISING

Player Weekly Spend	It's far too much and should be significantly reduced	It's somewhat excessive but manageable	It's a reasonable amount and doesn't bother me	There's not enough advertising, and it could be increased	I have no opinion or don't notice gambling advertisements
Total Market	29%	32%	32%	3%	4%
Low (> R\$50)	41%	35%	22%	1%	1%
Ave (R\$50-R\$400)	26%	32%	33%	4%	5%
High (R\$400-R\$1000)	19%	26%	49%	2%	4%
V High (R\$1000+)	30%	20%	40%	10%	0%

4. HOW REGULATION CHANGED THE PLAYER EXPERIENCE

4.11 View on Integrity

Apart from advertising, player perceptions of the relationship between **sports betting and the integrity of sporting events also reveal a divided outlook.**

Across the total market:

- **38%** believe that **legalized gambling helps protect sporting integrity**
- **34%** believe that **increased gambling poses a risk to sporting integrity**
- **20%** see **no evidence that more people gambling affects integrity**
- **8%** say they **have no opinion**

The results indicate a **narrow tilt toward confidence in regulated betting**, although a substantial share of players still associate gambling growth with integrity risks.

Perceptions also vary across spending segments:

- **Low spenders** show the highest level of concern, with **47% believing that increased gambling threatens integrity**
- **Average spenders** present a more balanced view, with **39% saying regulation protects integrity and 32% seeing gambling as a risk**
- **High spenders** display the strongest confidence in the regulated model, with **47% believing legalized gambling protects sporting integrity**
- **Very high spenders** are evenly divided, with **40% viewing gambling as a risk and 40% believing regulation protects integrity**

This suggests that **confidence in regulated betting tends to increase with engagement**, while more casual players remain more cautious about its potential impact on sport.

VIEW ON SPORTS INTEGRITY

Player Weekly Spend	Increased gambling is a risk to sporting integrity	There is no evidence to suggest that more people gambling impacts sporting integrity	Legalised gambling protects sporting integrity as it is monitored - illegal gambling is the risk	I have no opinion
Total Market	34%	20%	38%	8%
Low (> R\$50)	47%	11%	31%	11%
Ave (R\$50–R\$400)	32%	21%	39%	8%
High (R\$400–R\$1000)	21%	28%	47%	4%
V High (R\$1000+)	40%	20%	40%	0%

4. HOW REGULATION CHANGED THE PLAYER EXPERIENCE

4.12 View on the Gambling Industry

The H2 survey then measures **overall sentiment toward the gambling industry**, asking players to rate their perception on a scale from negative to positive.

Sentiment is largely neutral to positive:

- **Neutral (4–7): 48%**
- **Positive (8–10): 40%**
- **Negative (1–3): 12%**

This indicates that while strong enthusiasm is not universal, **negative views of the industry remain relatively limited.**

Perception becomes more favourable as spending levels increase:

- **Low spenders** show the most cautious outlook, with only **19% expressing negative views** and **23% reporting positive sentiment**
- **Average spenders** are more balanced, with **41% positive, 47% neutral** and **12% negative**
- **High spenders** display the strongest positive sentiment, with **70% rating the industry positively**
- **Very high spenders** also show strong support, with **50% positive** and **50% neutral**

This indicates that **players who engage more heavily with betting tend to hold more favourable views of the industry**, while more casual participants remain more neutral or cautious in their perceptions.

VIEW ON THE GAMBLING INDUSTRY

Player Weekly Spend	1-3 Negative	4-7 Neutral	8-10 Positive
Total Market	12%	48%	40%
Low (> R\$50)	19%	58%	23%
Ave (R\$50–R\$400)	12%	47%	41%
High (R\$400–R\$1000)	0%	30%	70%
V High (R\$1000+)	0%	50%	50%



“Regulation did not immediately improve reputation; it increased attention.”

ANAMARIA BACCI
JOURNALIST, HIPHTER

4. HOW REGULATION CHANGED THE PLAYER EXPERIENCE

4.13 Financial Impact of Gambling

When it comes to whether players feel that gambling has caused them **financial difficulties**, the survey indicates that **most players do not report financial harm from gambling**:

- **No: 78%**
- **Yes: 17%**
- **Not sure: 5%**

For the majority of respondents, betting remains a **controlled recreational activity rather than a source of financial issues**.

However, the data reveals some differences across spending tiers:

- **Low spenders:** 80% report **no financial difficulties**, while **14% say gambling caused financial problems**
- **Average spenders:** 78% report **no financial impact**, and **18% report financial difficulties**
- **High spenders:** Results are similar to the overall market, with **79% reporting no financial issues** and **17% reporting difficulties**
- **Very high spenders:** The share reporting financial problems increases to **30%**, while **70% say gambling has not caused financial difficulties**

The pattern is clear: **as betting intensity increases, the likelihood of reported financial strain rises**.

FINANCIAL DIFFICULTIES CAUSED BY GAMBLING

Player Weekly Spend	No	Not sure	Yes
Total Market	78%	5%	17%
Low (> R\$50)	80%	6%	14%
Ave (R\$50-R\$400)	78%	4%	18%
High (R\$400-R\$1000)	79%	4%	17%
V High (R\$1000+)	70%	0%	30%

4. HOW REGULATION CHANGED THE PLAYER EXPERIENCE

— 4.14 Interpreting the First Year

The H2 survey highlights several clear patterns in how Brazilian players experienced the first year of regulation.

BRAND AWARENESS IS HIGHLY CONCENTRATED

- A small group of operators dominates brand recall
- Marketing and sponsorships played a major role in shaping visibility during Year One

PLAYER BEHAVIOUR REMAINS HIGHLY COMPETITIVE

- Multi-account usage is widespread across the market
- Higher-spending players are significantly more likely to maintain multiple betting accounts

VALUE CONTINUES TO DRIVE PLATFORM CHOICE

- Licensed operators are mainly chosen for **ease of use, odds and product availability**
- Unlicensed platforms are primarily used for **higher bonuses and better pricing**

MOST PLAYERS USE LICENSED OPERATORS

- The majority of players report using **only licensed platforms**, although a minority still interacts with offshore operators

MOTIVATION IS SPLIT BETWEEN ENTERTAINMENT AND PROFIT

- Players gamble mainly for **entertainment (36%)** or **to make money (35%)**

PERCEPTION OF THE INDUSTRY IS BROADLY NEUTRAL TO POSITIVE

- Sentiment improves as spending intensity increases

FINANCIAL RISK REMAINS LIMITED BUT CONCENTRATED

- Most players report **no financial difficulties**, but the share increases among **very high spenders**



“The Brazilian profile is passionate, analytical, and increasingly informed.”

PEDRO FEITOSA
PROFESSIONAL TIPSTER & TRADER

4. HOW REGULATION CHANGED THE PLAYER EXPERIENCE

— 4.15 Expert Insight



Narrative Vs Reality: How Brazil's Regulated Market Has Been Portrayed

BY ANAMARIA BACCI
JOURNALIST, HIPHTER

When Brazil regulated betting, the sector expected legal certainty. What it did not expect was a dispute over the narrative.

Covering this transition as a journalist, what struck me most was not exactly how the market changed, but how the story about it changed. Regulation did not simply formalise an activity. It exposed a gap in perception between what the market is, what the public believes it to be, and what policymakers need it to be.

And that gap defined the first year.

Before regulation, media coverage of betting in Brazil lived in a curious duality.

In specialized industry media, the tone was optimistic and technical: market size, licensing models, comparisons with Europe, investor interest. Brazil was described as “the next great opportunity.” The articles were always future-oriented.

In mainstream media, however, the topic barely existed. Betting was culturally present but institutionally invisible. The absence of rules meant the absence of narrative. Without regulation, there was no clear actor to question, and therefore little political relevance.

Paradoxically, the sector was economically enormous, but socially undefined. >>

4. HOW REGULATION CHANGED THE PLAYER EXPERIENCE

— 4.15 Expert Insight

THE POLITICAL PHASE: WHEN THE NARRATIVE BECOMES MORAL

Regulation changed this immediately.

Once the State officially recognized the activity, betting stopped being a technological or entertainment topic and became a political one. Public debate quickly shifted from economics to social impact, often without passing through operational reality.

Coverage moved from “What is this market?” to “Should this market exist?”

This is typical of newly regulated sectors: legitimacy is debated before understanding. For months, the industry was not responding to technical questions, but symbolic ones — addiction, advertising exposure, financial vulnerability.

From a media perspective, this was the moment the sector entered public consciousness. Not because of the product, but because of controversy.

THE FIRST YEAR: THE BEGINNING OF NORMALISATION

With the start of operations, a third phase slowly emerged: normalisation.

The tone did not become positive, but it became more precise.

Reports began distinguishing legal from illegal operators. Discussions started separating marketing excesses from regulation itself. Economic contributions stopped being speculative and became measurable. Even criticism became more structured.

This shift is subtle, but important: the market stopped being hypothetical.

In the early months, every problem was attributed to the existence of betting. After one year, problems began to be attributed to specific practices within betting.

That distinction marks the beginning of maturity in public discourse. >>



4. HOW REGULATION CHANGED THE PLAYER EXPERIENCE

— 4.15 Expert Insight

INTERNATIONAL VISIBILITY: BRAZIL AS A CASE STUDY

Outside Brazil, perception followed a different path.

Internationally, the country was never viewed primarily as a social problem, but as a regulatory experiment. Foreign operators and suppliers observe how a large informal market transitions into a formal one under political pressure.

External interest is less about growth and more about sustainability:

Can a large market regulate itself without migrating back offshore?

Brazil became relevant not for being the largest, but for being complex — a mix of high demand, political sensitivity and rapid implementation.

For global observers, the Brazilian market is less a destination and more a case study.

WHAT REALLY CHANGED

After one year, the main transformation is not operational, but perceptual.

The sector expected regulation to legitimize betting. In practice, regulation legitimized the debate about betting.

And paradoxically, that debate may be the mechanism through which legitimacy eventually emerges.

The Brazilian market did not become accepted; it became discussable. And for an activity that once operated in a grey zone, that alone represents structural progress. ■



5. REGULATORY FRAMEWORK EVOLUTION

The previous chapters examined the **results of Brazil’s regulated betting market during its first year**, analysing both **market performance** and **how players interact with licensed platforms**.

To understand how those outcomes emerged, it is necessary to look at the **regulatory structure that governs the sector**.

The framework introduced by the federal government was designed to move betting in Brazil from an **informal digital activity into a structured and supervised industry**, establishing clear rules for **market entry, taxation, reporting, compliance and consumer protection**.

The core framework in place when the market launched on **1st January 2025** included:

- A federal licensing system
- A **12% GGR tax**
- A **15% tax on player winnings**
- Mandatory operator reporting through the **Betting Management System (SIGAP)**
- AML and payment controls
- Responsible gaming requirements
- Advertising and communication rules
- A sports-integrity framework

With these mechanisms established at launch, the key question after the first year is **how the framework evolved once the market began operating**.

This chapter examines that evolution by comparing the regulatory model at launch with its position after one full year of operation.



Federal Licensing System



12% GGR Tax Structure



SIGAP Monitoring & Reporting



AML And Payment Controls



Responsible Gaming Requirements



Advertising & Communication Rules

5. REGULATORY FRAMEWORK EVOLUTION

— 5.1 Expert Insight



What Changed On Paper Vs What Changed In Practice

BY LUIZ FELIPE MAIA
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BY DÉBORA ROMANOV
PARTNER (COMPLIANCE), MAIA YOSHIYASU ADVOGADOS

Brazil's first full year of federally regulated fixed-odds betting has been a study in asymmetry: the rulebook is now comparatively dense and prescriptive, but the lived experience of operators has been shaped just as much by sequencing, enforcement capacity, and unresolved interface issues with other legal regimes.

Over the course of Year One, the gap between formal authorization and operational reality also became visible in adjacent policy domains, including consumer eligibility restrictions and evolving fiscal proposals, which introduced implementation risks not fully anticipated in the original licensing framework.

On paper, the regime is clear about a central premise: nationwide operation requires prior authorization by the Secretariat of Prizes and Betting of the Ministry of Finance (SPA), as set forth in Law No. 14,790/2023, that amended Law No. 13,756/2018, and the market was structured around a "licensed-only" environment starting January 1, 2025 (including the use of the ".bet.br" domain for federally authorized sites). In practice, that clarity at the perimeter did not automatically translate into a smooth licensing ramp, predictable supervision, or uniform compliance outcomes across the ecosystem.

5. REGULATORY FRAMEWORK EVOLUTION

— 5.1 Expert Insight

LICENSING BOTTLENECKS: “DEFINED REQUIREMENTS” VS “EXECUTION FRICTION”

On paper, Ordinance SPA/MF No. 827/2024 sets the licensing framework and conditions for authorization, creating a single federal gateway and attempting to standardize entry. Supporting ordinances and normative instructions also push technical and operational standardization, most notably around platform/system requirements (Ordinance SPA/MF No. 722/2024), online games and live studios (Ordinance SPA/MF No. 1,207/2024) and payment transaction rules (Ordinance SPA/MF No. 615/2024).

In practice, the bottlenecks were less about the absence of rules and more about the burden of assembling “regulation-ready” infrastructure at scale, under time pressure and with dependencies outside the operator’s control. Three friction points stood out. First, certification and technical validation cycles created queue effects: the standards exist, but the capacity of certification bodies with operational capacity recognized by the SPA (Ordinance SPA/MF No. 300/2024) and vendors, testing timelines, and remediation loops can compress launch schedules and complicate multi-brand rollouts. Second, payments compliance was not a box-checking exercise; it required re-engineering flows, onboarding/payment partner diligence, and ongoing controls aligned with the SPA’s expectations. Third, applicants faced an operational paradox: the closer an operator moved toward full compliance (governance, controls, auditability), the more coordination costs rose, especially when parts of the supply chain were not equally mature.

As a result, authorization began to function less as a discrete market-entry milestone and more as the starting point of a continuous compliance lifecycle, a dynamic that would become more visible as additional layers were introduced throughout the year.

SUPERVISION AND ADVERTISING RESTRICTIONS: “RESPONSIBLE MARKETING” VS “LIABILITY AND ATTRIBUTION”

On paper, the advertising and responsible gaming perimeter is anchored in Ordinance SPA/MF No. 1,231/2024, which sets directives for responsible communication, marketing, and protections for bettors. One consequential “paper rule” is attribution of responsibility: operators can be held accountable for abusive or misleading advertising carried out by influencers they engage, which effectively expands the compliance perimeter to third-party content distribution.

In practice, enforcement pressure and reputational sensitivity moved faster than many operators’ marketing governance. The result was a structural shift from “growth-first” advertising to “controls-first” advertising. Operators had to implement influencer vetting, pre-approval workflows, contractual guardrails, monitoring, takedown protocols, and evidence trails, often across multiple agencies and affiliates. This increased cost and reduced speed-to-market in customer acquisition. It also created ambiguity in edge cases: what counts as “operator advertising” when distribution is algorithmic, indirect, or performed by loosely affiliated promoters? The rule’s intent is clear, but operational line-drawing has been a consistent challenge. >>

5. REGULATORY FRAMEWORK EVOLUTION

— 5.1 Expert Insight

COMPLIANCE LOAD: “A REGULATED MARKET” VS “A CONTINUOUS CONTROL ENVIRONMENT”

On paper, the framework aims to professionalize the sector through layered obligations: technical integrity, payments controls, responsible gaming measures, and ongoing supervision.

In practice, the compliance burden has looked less like a one-time licensing project and more like a permanent operating model, closer to financial services than to legacy gaming in some respects. Two examples illustrate why. First, the requirement to keep marketing within responsible parameters is not static; it requires continuous monitoring of campaigns, affiliates, and social media execution. Second, market clean-up efforts (site blocking and disruption of illegal operators) created knock-on compliance effects for licensed companies, including stronger expectations around channel integrity and partner screening. The government has publicly emphasized scale enforcement in partnership with Anatel (the Brazilian National Telecommunications Agency, the regulatory authority responsible for overseeing and supervising telecommunications services in Brazil), reporting more than 25,000 illegal betting sites blocked in the first year of the regulated market.

These enforcement efforts occurred alongside the progressive introduction of eligibility-based participation restrictions, further expanding the compliance perimeter beyond platform integrity into user-level admissibility criteria. >>

5. REGULATORY FRAMEWORK EVOLUTION

— 5.1 Expert Insight

LEGAL UNCERTAINTIES AFTER YEAR ONE: “FEDERAL AUTHORIZATION” VS “MULTI-REGIME EXPOSURE”

On paper, federal authorization is the centerpiece of legality for fixed-odds betting nationwide.

In practice, operators still navigate overlapping regimes and unresolved questions that create legal risk even when a license is in hand. Three recurrent uncertainty clusters are: (i) the interface between SPA rules and consumer protection enforcement (especially around advertising and promotional practices), (ii) the interaction between federal betting rules and other regulators’ competencies (telecoms, payments, competition, data protection), and (iii) the pace at which “policy responses” can amend operational obligations. For example, public authorities have tied enforcement narratives to responsible gaming tools and market safeguards, including a centralized self-exclusion mechanism referenced in official reporting. The direction of travel is clear (more consumer protection), but details can shift quickly and generate implementation risk.

This multi-regime exposure became even more explicit with the introduction of user-level eligibility rules derived from social assistance policy. For instance, recent restrictions introduced by Ordinance SPA/MF No. 2,217/2025 and Normative Instruction SPA/MF No. 22/2025 (as amended) prohibit individuals receiving social assistance benefits, such as Bolsa Família and the Continuous Cash Benefit (BPC), from participating in fixed-odds betting activities. On paper, the policy sought to protect hyper-vulnerable consumers from potential financial harm. In practice, however, emerging reports suggest that some affected users may have migrated to unlicensed platforms, potentially undermining both consumer protection objectives and channelization efforts within the regulated market. This dynamic illustrates how targeted eligibility restrictions, while normatively justified, can create behavioral displacement effects when enforcement asymmetries between licensed and illegal operators persist.

From an operator standpoint, this created an additional layer of legal uncertainty: while participation bans were formally binding on licensed platforms, enforcement limitations vis-à-vis unlicensed providers introduced competitive and channelization distortions. >>

5. REGULATORY FRAMEWORK EVOLUTION

— 5.1 Expert Insight

OPERATIONAL IMPACTS FOR COMPANIES: “LICENSE AS ENTRY TICKET” VS “LICENSE AS A COST CENTER MULTIPLIER”

On paper, licensing is the entry ticket to a large formal market.

In practice, the authorization is also a multiplier of operational complexity. Operators have had to (a) invest in compliance staffing and tooling (ad tech governance, transaction monitoring, KYC/AML processes, incident handling), (b) rework product and CRM mechanics to fit responsible gaming constraints, and (c) accept higher friction in commercial partnerships (media buys, sponsorships, affiliates). Meanwhile, continued illegal competition—despite large-scale blocking—keeps pressure on margins and user experience: licensed operators bear heavier controls, while unlicensed actors attempt to arbitrage enforcement gaps.

In addition to operational controls, the economic perimeter of licensed activity also became subject to policy recalibration over Year One. The tax burden associated with licensed operations became an additional source of operational pressure. On paper, the requirements for obtaining a license were defined under Ordinance SPA/MF No. 827/2024, including the payment of the licensing fee, alongside the 12% allocation to social contributions provided for in Law No. 13,756/2018. In practice, however, successive legislative initiatives sought to increase the sector’s effective tax burden, culminating in the enactment of Complementary Law No. 224/2025, which provides for a gradual increase in the GGR-based contribution from 12% to 15% between 2026 and 2028. Parallel proposals under discussion in Congress, including Bill No. 5,582/2025 (“Anti-Faction Bill”), which introduces the so-called Cide-Bets, and Constitutional Amendment Proposal No. 18/2025, which earmarks additional lottery revenues for public security – would further expand the fiscal perimeter applicable to licensed operators. Additional draft legislation has also contemplated increasing the contribution over GGR to levels as high as 18% by 2028.

Current industry criticism has therefore focused less on any single measure and more on the cumulative fiscal impact of layered proposals introduced after market entry, potentially altering the economic assumptions under which initial licensing decisions were made and raising concerns that the regulated Brazilian market could face one of the highest effective tax burdens globally should pending initiatives advance. ■

5. REGULATORY FRAMEWORK EVOLUTION

— 5.2 Licensing

FRAMEWORK AT LAUNCH

Operators were required to meet several conditions before entering the market:

- **R\$30 million** licence fee (~€4.64 million)
- **5-year** licence term
- Up to **3 brands per licence**
- Incorporation under **Brazilian law**
- **Headquarters and administration in Brazil**
- Minimum **20% Brazilian ownership**
- Full technical and documentary compliance
- Prohibition on operating in Brazil solely as a branch of a foreign company

At launch, the government used a dual-entry model:

- **14 operators** received definitive authorisation
- **52 operators** received provisional authorisation, with **30 days** to complete remaining requirements

WHAT EVOLVED DURING YEAR ONE

The core licensing model did not change during 2025. What evolved was the operational application of the framework:

- Provisional authorisation became a real transitional tool
- Technical certification deadlines became more important

The licensing model remained unchanged during Year One, but its operational implementation became clearer.



“Authorization began to function less as a discrete market-entry milestone and more as the starting point of a continuous compliance lifecycle.”

LUIZ FELIPE MAIA
FOUNDING PARTNER, MAIA YOSHIYASU ADVOGADOS

5. REGULATORY FRAMEWORK EVOLUTION

— 5.3 Taxation & Legal Allocation

FRAMEWORK AT LAUNCH

When the market opened, the tax structure was clear:

- **12% tax on GGR**
- **15% tax on player winnings**
- Standard corporate taxation under Brazilian law
- Allocation of part of betting revenue to public sectors

This 12% rate had already emerged from the legislative debates of late 2023, when proposals for **18%** were reduced and the final law preserved the lower rate.

WHAT EVOLVED DURING YEAR ONE

Several proposals emerged during the year to increase the operator tax burden:

- **June 2025:** a provisional measure proposed increasing the GGR tax from **12% to 18%**
- **October 2025:** alternative proposals suggested raising the rate as high as **24%**
- **Late 2025:** the debate shifted toward a gradual adjustment rather than an immediate increase

By the end of the year, the government confirmed a phased increase in the GGR tax rate:

- **13% in 2026**
- **14% in 2027**
- **15% in 2028**

This means that while the **12% rate remained in force during the first year of the regulated market**, the regulatory framework was adjusted to introduce a **gradual increase in the tax burden over the following three years.**

The result was a compromise between two objectives:

- Preserving the competitiveness of the newly regulated market
- Increasing the fiscal contribution of the sector over time

Year One introduced a phased increase in the GGR tax from 12% to 15% by 2028.

5. REGULATORY FRAMEWORK EVOLUTION

— 5.4 Reporting, Compliance and Technical Controls

FRAMEWORK AT LAUNCH

Before launch, Brazil built a compliance model based on:

- Central reporting through the Betting Management System (SIGAP)
- Technical certification of platforms and systems
- AML and internal control procedures
- Payment transaction rules
- Monitoring and sanctioning rules
- Responsible gaming and bettor-communication requirements

This meant operators entered the market with a **data-reporting and compliance structure already defined.**

WHAT EVOLVED DURING YEAR ONE

Three practical developments stood out:

- The reliance on **certified testing and validation** became more central
- **SIGAP** became the operational backbone of market reporting
- Compliance was extended beyond operators and into adjacent areas such as payments and social protections

So while there was no major change in the compliance model, Year One did sharpen how those requirements functioned in practice.

The compliance framework remained unchanged, but its operational application became clearer during Year One.



“Regulation raised the bar in anti-money laundering, data protection and supervision, consolidating compliance as a condition for survival in the sector.”

MARCELO MUNHOZ
DATA PROTECTION OFFICER, APOSTOU

5. REGULATORY FRAMEWORK EVOLUTION

— 5.5 Payments and Financial Controls

FRAMEWORK AT LAUNCH

At launch, payment regulation was already part of the federal model. Operators were required to:

- Work with authorised payment channels
- Maintain traceable transaction records
- Comply with AML obligations
- Operate within the regulated reporting framework

WHAT EVOLVED DURING YEAR ONE

In **March 2025**, financial institutions and payment providers were required to:

- Detect transactions involving illegal operators
- Identify actions such as **bets, deposits or withdrawals** linked to unauthorised platforms
- Report those actions to the Secretariat of Prizes and Bets (SPA) within **24 hours**

Later proposals went even further by seeking to hold financial institutions accountable for negligence or omission in dealings linked to illegal gambling activity.

During Year One, the framework moved from regulating operators' payments to also regulating the conduct of the financial system around them.

5. REGULATORY FRAMEWORK EVOLUTION

— 5.6 Advertising and Promotion

FRAMEWORK AT LAUNCH

Advertising rules were already present when the market opened:

- Responsible gaming messaging
- Restrictions around minors
- Limits on misleading communications
- Rules governing betting promotion and communication more broadly

WHAT EVOLVED DURING YEAR ONE

The biggest developments during 2025 were proposals to tighten the regime:

- A ban on advertising during **live sports broadcasts**
- A ban on **dynamic odds** in ads
- Restrictions on the use of **athlete images**
- Restrictions involving **referees**
- Stronger limitations on exposure to **minors**
- Proposals to narrow permitted advertising windows and reduce sponsorship activity

By early 2026, the pressure had intensified further, with another Senate committee approving a bill aimed at banning advertising, sponsorship and promotion more broadly.

No changes were made to advertising rules in Year One, but the area came under growing regulatory attention.



“The result was a structural shift from growth-first advertising to controls-first advertising.”

LUIZ FELIPE MAIA
FOUNDING PARTNER, MAIA YOSHIYASU ADVOGADOS

5. REGULATORY FRAMEWORK EVOLUTION

— 5.7 Responsible Gaming and Social Protection

FRAMEWORK AT LAUNCH

Responsible gaming obligations were embedded in operator requirements from day one:

- **18+ age** verification
- Identity checks
- Self-exclusion tools
- Deposit and betting limits
- Behavioural monitoring
- Responsible gaming messaging

WHAT EVOLVED DURING YEAR ONE

This area evolved more than most. The main developments were:

- A federal working group on **mental health and harm reduction**
- Growing coordination between **Finance, Health, Sport and Communications**
- The launch of a **national self-exclusion system** in **December 2025**

Another important development came in October 2025, when operators were required to block access for recipients of:

- **Bolsa Família**, Brazil's support programme for low-income households
- **Continuous Benefit Payment (BPC)**

Under that rule, operators had to:

- Check **SIGAP** at least every **15 days**
- Block registration where applicable
- Close affected accounts
- Return deposits to the account holder

Responsible gaming expanded from operator tools to centralised national infrastructure.



“Proper data protection is not only a legal obligation — it is a trust asset and a competitive differentiator.”

MARCELO MUNHOZ
DATA PROTECTION OFFICER, APOSTOU

5. REGULATORY FRAMEWORK EVOLUTION

— 5.8 Sports Integrity

FRAMEWORK AT LAUNCH

Sports integrity was already part of the regulatory model, especially through:

- Operator reporting obligations
- Monitoring expectations
- Cooperation between the betting regulator and sports institutions

WHAT EVOLVED DURING YEAR ONE

The main developments were:

- Updated clarification of which sports and events could legally be offered for betting
- A more structured anti-manipulation agenda
- The creation of a working group to build a **national policy against match-fixing and result manipulation**

There were also wider political proposals that would have gone much further, including:

- Banning certain forms of in-play betting
- Limiting the betting age to **21**
- Capping monthly betting activity for individuals

Year One strengthened the policy focus on match-fixing and betting integrity.

5. REGULATORY FRAMEWORK EVOLUTION

— 5.9 Interpreting the First Year

The first year did not bring a full rewrite of Brazil’s betting regulation, with the **core framework introduced at launch remaining intact.**

What changed was the **depth and scope of certain requirements.**

The clearest areas of evolution were:

<p>TAXATION</p> <p>W12% GGR rate was revised to introduce phased increases between 2026 and 2028</p> 	<p>PAYMENTS</p> <p>Financial institutions were brought directly into the compliance framework</p> 
<p>RESPONSIBLE GAMING</p> <p>Expanded from operator tools to national infrastructure</p> 	<p>ADVERTISING</p> <p>Moved to the centre of political and legislative debate</p> 
<p>SOCIAL PROTECTION</p> <p>Exclusion of Bolsa Familia and BPC beneficiaries</p> 	<p>SPORTS INTEGRITY</p> <p>Became more institutionalised</p> 



“Brazil has produced one of the most robust and effective regulatory frameworks in the world.”

MAGNO JOSÉ
EDITOR, BNLDATA | PRESIDENT, BRAZILIAN LEGAL GAMING INSTITUTE (IJL)

5. REGULATORY FRAMEWORK EVOLUTION

— 5.10 Expert Insight



AML, Data Protection, Supervision And Priorities For Year Two

BY MARCELO MUNHOZ
DATA PROTECTION OFFICER, APOSTOU

The first year of Brazil's regulated betting market, which began in January 2025 under Law No. 14.790/2023, brought profound transformations. Regulation raised the bar in anti-money laundering (AML/CFT), data protection and supervision, consolidating compliance as a condition for survival in the sector.

The structuring of KYC and AML controls was one of the most visible changes. Identity verification, facial biometrics, cross-checking against restrictive lists and registration with Siscoaf became mandatory. These controls significantly mitigate fraud and asset laundering. However, the effectiveness of this framework depends on advancing the fight against the illegal market with the same intensity. It is not enough to supervise licensed operators: irregular website domains must be eliminated, the individuals behind these operations must be held accountable, and, above all, efforts must be coordinated with the Central Bank to efficiently penalise payment processors that enable transactions for unauthorised platforms. As long as asymmetry exists – with licensed operators bearing compliance costs while illegal operators function without such burdens – the regulated market will remain at a competitive disadvantage, and bettors will continue to be exposed to environments with no protection.

In terms of data protection, operators collect significant volumes of sensitive information, requiring full compliance with Brazil's General Data Protection Law (LGPD). Systems and data must preferably be maintained within Brazilian territory. Consumer rights are broad: access, correction, portability and deletion of data. A crucial point is that if the data was not directly provided by the user to the operator, the operator may not send advertising material. Consumers may report violations to the SPA, which has authority to sanction offenders. Proper data protection is not only a legal obligation – it is a trust asset and a competitive differentiator.

A major milestone in 2025 was the launch of the Centralised Self-Exclusion Platform, developed by Serpro. Through Gov.br, any citizen can block their CPF across all authorised betting operators, preventing new registrations and targeted advertising. This tool, integrated with Sigap, places Brazil at the forefront globally in addressing gambling addiction. The Interministerial Working Group developed a comprehensive plan that, from 2026 onward, will include specialised mental health telecare through the public health system (SUS). Demonstrating concrete action in responsible gambling is something that should always be required – and proven – by operators. >>

5. REGULATORY FRAMEWORK EVOLUTION

— 5.10 Expert Insight

Throughout 2025, the regulator demonstrated that supervision of licensed operators goes far beyond document verification. The SPA organised technical events on AML/CFT, including virtual and in-person meetings, raising knowledge levels and aligning expectations. The regulatory approach became more sophisticated, evaluating the real effectiveness of monitoring systems, the quality of communications to COAF and the alignment of internal policies with each operator's operational risks.

The compliance environment evolved rapidly. Even before regulation, the most significant operators were already structuring dedicated compliance departments. This professionalisation was also driven by pressure from the ecosystem: game providers, platforms and payment processors began requiring high compliance standards. For any serious operator, lacking a robust structure ceased to be an option.

For Year Two, the 2026–2027 Regulatory Agenda signals priority themes: revision of supervisory frameworks, regulation of affiliates, betting terminals and monitoring of behavioural profiles. The differentiation among operators will depend on creativity in delivering unique entertainment experiences, with artificial intelligence playing a central role in customer service, risk detection and the betting experience itself. ■

5. REGULATORY FRAMEWORK EVOLUTION

— 5.11 Expert Insight



Legal And Market Priorities For Brazil's Betting Sector

Q&A WITH NEIL MONTGOMERY
FOUNDING AND MANAGING PARTNER, MONTGOMERY

Q A key objective of regulation was player channelisation to the regulated market. From a legal standpoint, how effective has this transition been so far?

A The federal regulator (SPA/MF) has taken several measures, some in cooperation with other governmental agencies (such as the National Telecommunications Agency – ANATEL), to try to clamp down on the illegal market. This has included website blocking – with more than 27,000 illegal websites having been blocked. PIX transactions have also been restricted to BRL 15,000.00, which has also been of assistance. However, channelisation to the regulated market will only be more effective if the government is successful in totally cutting the flow of money to and from the illegal market.

The current size of the illegal market is also controversial. Last year, there appeared to be an informal consensus that the illegal market corresponded to at least 50%, with some sources believing that it could be higher than 80%. At ICE Barcelona 2026, the gaming consulting firm H2 Gambling Capital revealed quite convincing data indicating that the illegal market was much smaller – possibly around 30%, based on the figures for 2025 released by the SPA/MF.

Q Looking ahead, what areas are most likely to face stricter scrutiny or regulatory tightening in the next 12 months?

A In February, the SPA/MF issued Ordinance No. 408/2026, instituting its Regulatory Agenda for 2026/2027. Financial transactions and advertising rank high in the regulator's priorities for 2026.

The SPA also currently is welcoming contributions under the public consultation on its draft ordinance addressing the need for five categories of B2B providers (namely, betting systems, betting platforms, online game providers, customer identification service providers and sports betting data providers) to obtain a licence to continue to operate in the regulated market. The licence (on which the SPA has not yet put a price tag) will be valid for three years and will require foreign B2B providers to incorporate a local subsidiary to hold the licence. This is expected to generate a significant wave of foreign direct investment into Brazil. >>

5. REGULATORY FRAMEWORK EVOLUTION

— 5.11 Expert Insight

Q How would you assess enforcement activity in practice during the first year? Has it met expectations?

A Besides the measures taken against the illegal market (as set out above), the SPA/MF, given that the regulated market launched on 1 January 2025, appeared to be more lenient on licensed operators throughout last year, with not many concrete cases of its sanctioning authority being applied. This should change in 2026, and SPA/MF members have publicly signalled at conferences that the regulator expects licensed operators to fully comply with the legislation and regulations in effect.

Overall, it can be said that the SPA/MF, under the leadership of Secretary Regis Dudena until January 2026, did what was expected from it during 2025. We will have to wait and see whether the style implemented by Secretary Dudena will be continued or changed by his successor, who has not yet been formally confirmed.

Q From a legal perspective, what are currently the most underestimated risk areas for licensed operators in Brazil?

A While Brazil is a land of opportunity (including in the gaming market – with Brazil climbing to the fifth-largest market in the world in its first year as a regulated market), it is also not an easy jurisdiction in which to do business, including from a legal perspective. Besides the obvious threats posed by competition from the illegal market and new disruptive products – like predictive markets – in addition to the uncertainty brought by unexpected increases in taxation, licensed operators still have not fully grasped the risks triggered by judicial litigation, mostly in the form of consumer and labour claims. Brazilian consumer and employment laws are very strict and can become serious contingencies for licensed operators.

Q Marketing restrictions were one of the most debated aspects of regulation. In practice, how clear (or unclear) are the boundaries, and where are operators most exposed

A There have indeed been several attempts to introduce stricter marketing restrictions. In my opinion, the current legal framework is sufficient to adequately direct and protect all stakeholders. It may be that operators are most exposed to the risks generated by affiliate marketing – especially by influencers creating damages to operator clients. This is the main reason why the use of influencers has greatly decreased since the market was regulated. >>

5. REGULATORY FRAMEWORK EVOLUTION

— 5.11 Expert Insight

Q Have there been legal disputes or court actions during the first year that could materially impact market stability going forward?

A Yes. Two particular sets of legal proceedings underway at the Brazilian Supreme Court (STF) have attracted market attention: one suspending the ability of licensed operators in the State of Rio de Janeiro (by LOTERJ) to accept bets from outside the borders of the State of Rio de Janeiro (which was the key point of attractiveness of the LOTERJ licence prior to 2 January 2025, when the suspension decision was issued), and another suspending the validity of municipal licences, laws and regulations. The latter could have a material impact on market stability, since there are currently just over 80 licensed operators at federal level, many operators licensed at state level, and the possibility of a far larger number of municipal licence holders.

Q Do you believe Brazilian regulators have evolved in their approach during this first year? Where have you seen increased sophistication? What areas still need development?

A Yes, I agree that there has been evolution in their approach. Brazilian regulators have participated and spoken at gaming conferences in Brazil and overseas and have sought the opinion of the gaming ecosystem's stakeholders. At federal level, I would like to see senior members of the Brazilian Executive branch more aligned with the SPA/MF, since there have been many occasions in which the current administration's leaders seem not to speak the same language as the SPA/MF, and this aggravates the feeling of uncertainty, which is very negative for the regulated market.

The most recent example was President Lula's nationwide Women's Day broadcast on 8 March, during which he expressly said that the Executive would join forces with the Legislative and Judicial branches to prohibit iGaming. This is the same president who sanctioned the law that legalized iGaming in Brazil! ■

6. WHAT'S NEXT

The previous chapters examined how **Brazil's regulated betting market performed during its first year, how regulation has influenced the player experience, and how the regulatory framework evolved as the market began operating.**

The next step is to look ahead at **how the market may evolve in the coming years.**

THREE QUESTIONS NOW MATTER MOST:

- How large can the regulated market become over the next five years?
- What areas are regulators likely to prioritise next?
- What major events will test the market's operational maturity?



“The second year of Brazilian regulation will likely mark the beginning of a phase of consolidation and strategic maturity.”

FERNANDO GARITA
MANAGING PARTNER & CO-FOUNDER, KABATA GROUP
CHIEF BUSINESS OFFICER (CBO) & BOARD MEMBER, MW PAY

6. WHAT'S NEXT

6.1 Market Size Outlook

ONSHORE MARKET

H2 Gambling Capital's projections suggest that Brazil's online betting market will remain one of the largest growth stories in the global regulated sector.

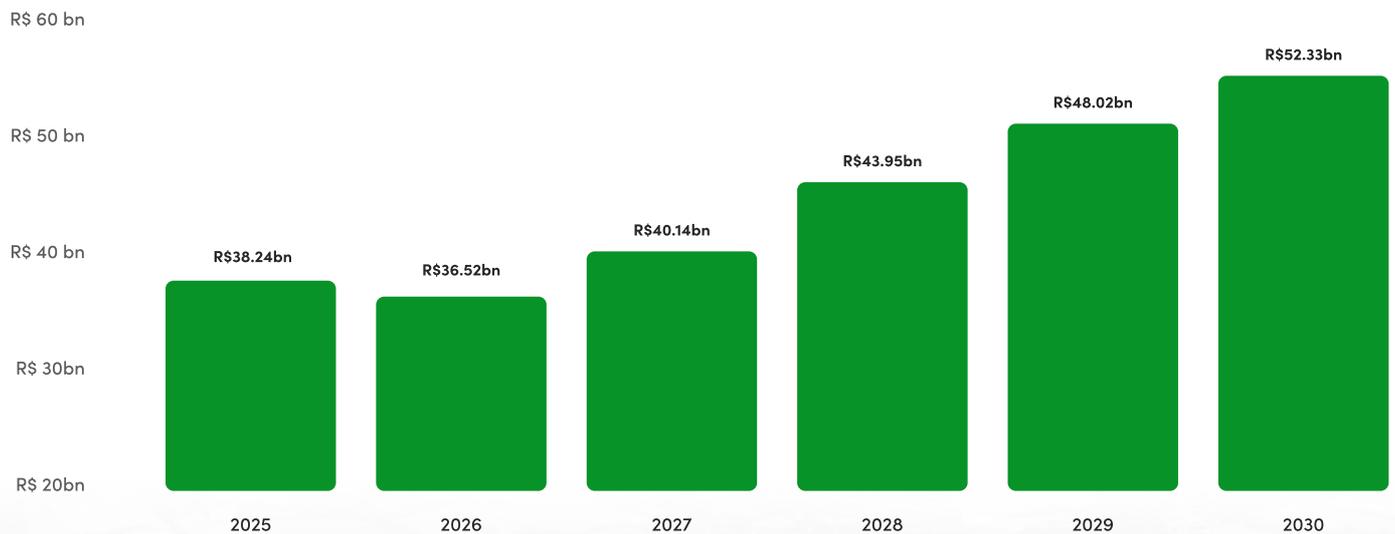
According to their estimates, the **onshore online betting and gaming market GGR** is projected to develop as follows:

- **2025:** R\$38.24bn (~€5.91bn)
- **2026:** R\$36.52bn (~€5.64bn)
- **2027:** R\$40.14bn (~€6.20bn)
- **2028:** R\$43.95bn (~€6.79bn)
- **2029:** R\$48.02bn (~€7.42bn)
- **2030:** R\$52.33bn (~€8.09bn)

The projections suggest a **temporary contraction in 2026**, with the legal market declining by around **4.5%** before returning to growth from 2027 onward.

By the end of the decade, the regulated market is projected to reach **R\$52.3bn**, representing an expansion of roughly **37% compared with 2025**.

ONSHORE MARKET GGR FORECAST UNTIL 2030



6. WHAT'S NEXT

6.1 Market Size Outlook

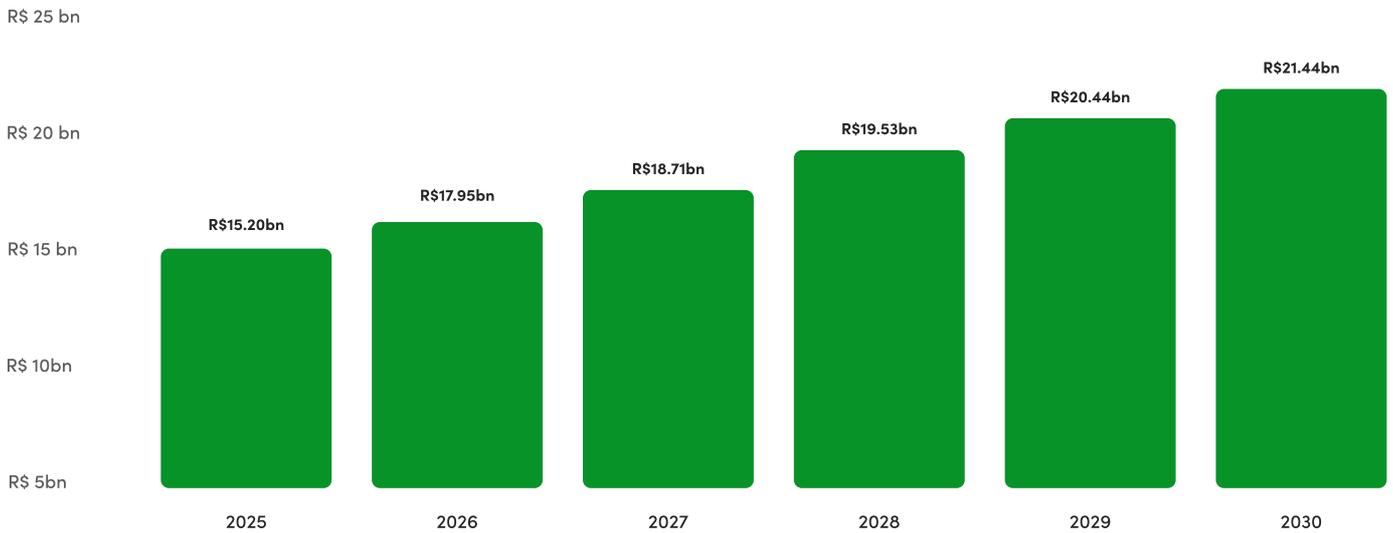
OFFSHORE MARKET

At the same time, the **offshore online betting and gaming market** is projected to remain substantial:

- **2025:** R\$15.20bn (~€2.35bn)
- **2026:** R\$17.95bn (~€2.77bn)
- **2027:** R\$18.71bn (~€2.89bn)
- **2028:** R\$19.53bn (~€3.02bn)
- **2029:** R\$20.44bn (~€3.16bn)
- **2030:** R\$21.44bn (~€3.31bn)

Opposed to the onshore market, the offshore market is expected to **expand in the short term**, particularly in 2026, before stabilising and growing more gradually over the following years.

OFFSHORE MARKET GGR FORECAST UNTIL 2030



6. WHAT'S NEXT

6.1 Market Size Outlook

CHANNELISATION

As a result, the **onshore share of total online betting** and gaming is projected to evolve as follows:

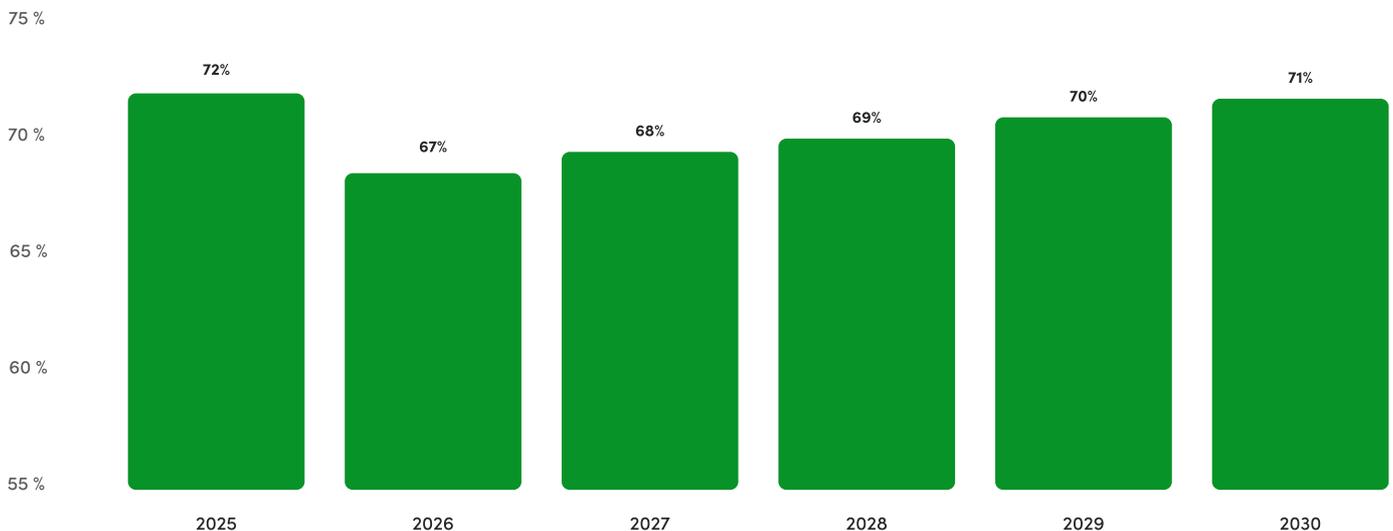
- **2025:** 72%
- **2026:** 67%
- **2027:** 68%
- **2028:** 69%
- **2029:** 70%
- **2030:** 71%

The projections suggest three key dynamics:

- Channelisation was already **strong in the first year of regulation**
- **2026 may see a temporary decline**, with offshore operators recovering some share
- From **2027 onward**, the regulated market is expected to gradually regain ground

This pattern reinforces the idea that the first years of regulation represent an **adjustment phase**, during which both legal and offshore operators compete for market share while the regulatory framework continues to mature.

PROJECTED CHANNELISATION OF BRAZIL'S MARKET UNTIL 2030



6. WHAT'S NEXT

6.1 Market Size Outlook

TOTAL MARKET

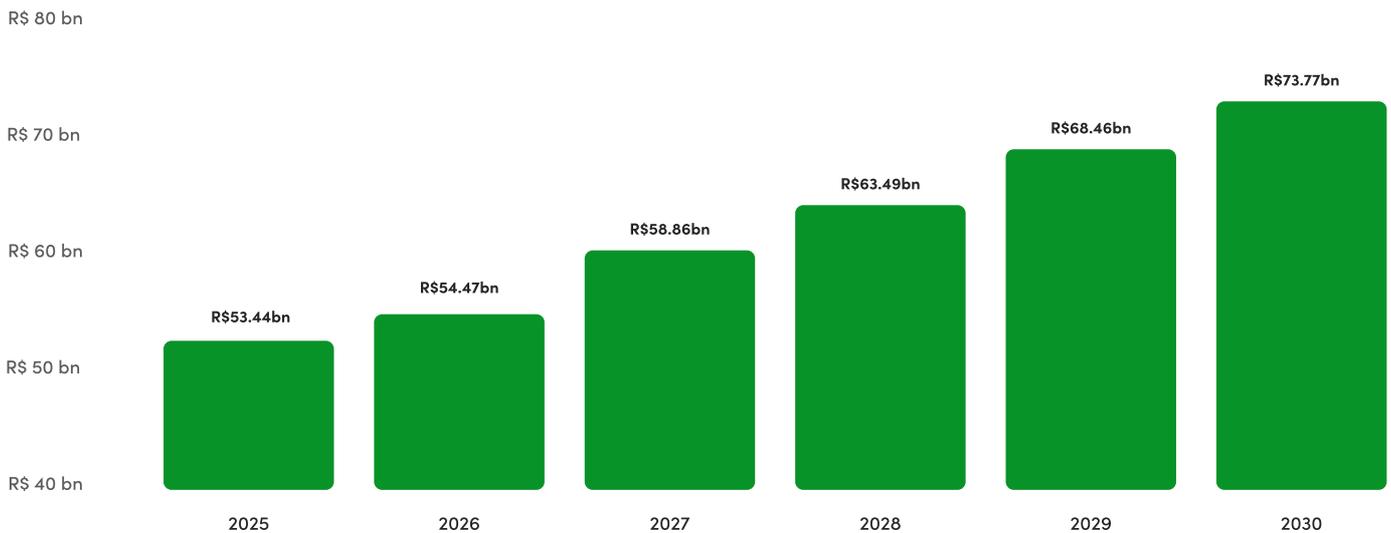
Combining both segments, the estimated total **Brazilian online betting and gaming market** is projected to develop as follows:

- **2025:** R\$53.44bn (~€8.26bn)
- **2026:** R\$54.47bn (~€8.42bn)
- **2027:** R\$58.86bn (~€9.10bn)
- **2028:** R\$63.49bn (~€9.81bn)
- **2029:** R\$68.46bn (~€10.58bn)
- **2030:** R\$73.77bn (~€11.40bn)

Market growth is therefore expected to remain **positive until 2030**, although the pace of expansion is projected to be more moderate in the immediate years following regulation.

Growth in 2026 is forecast at just **1.9%**, before accelerating again in the following years as the market stabilises.

TOTAL MARKET FORECAST UNTIL 2030



KEY INSIGHTS

Taken together, the projections highlight three important conclusions:

- Brazil's betting market is expected to remain one of the **largest in the regulated global industry**, with total revenues approaching **R\$74bn by 2030**
- The **regulated market will remain dominant**, but its expansion will likely be gradual rather than immediate
- The persistence of a meaningful offshore segment indicates that **channelisation will remain a central policy challenge in the coming years**

6. WHAT'S NEXT

6.2 Enforcement Direction

After the first year of operation of Brazil's regulated betting market, the direction of regulatory development is also becoming clearer. The main indication of what comes next comes from the **Regulatory Agenda for 2026-2027 published by the Secretariat of Prizes and Betting (SPA)**, which outlines the initiatives the regulator intends to prioritise in the coming years.

The agenda suggests that Brazil is entering a **second phase of regulation**, more focused on refining supervision, strengthening enforcement and addressing operational issues identified during the first year of the regulated market.

REGULATORY INITIATIVE	OBJECTIVE	EXPECTED START
Review Of Operator Authorisation Procedures	Review Procedures Governing Admissibility, Approval, Suspension And Termination Of Betting Operator Licences	Q1 2026
Review Of Payment Transaction Restrictions Linked To Illegal Operators	Update Procedures Governing Restrictions On Payment Transactions Involving Unauthorised Operators	Q1 2026
Review Of Affiliate Advertising Regulation	Improve Rules Governing Affiliate Advertising In Internet Applications	Q1 2026
Regulation Of Physical Betting Terminals	Establish Rules For Fixed-Odds Betting Through Physical Terminals	Q2 2026
Improvement Of Responsible Gambling Policies	Strengthen Tools For Monitoring Betting Behaviour And Preventing Harm	Q3 2026
Improvement Of Monitoring And Supervision Procedures	Review Reporting, Monitoring And Record-Keeping Obligations	Q4 2026
Review Of Administrative Sanctioning Framework	Improve Procedures Governing Administrative Sanctions	Q4 2026
Evaluation Of AML / Counter-Terrorism Financing Policies	Evaluate AML/CFT Rules After The First Monitoring Cycle	Q1 2027
Review Of Regulations On Advance Collection Of Popular Savings	Modernise Procedures Related To This Modality	Q2 2027

6. WHAT'S NEXT

— 6.2 Enforcement Direction

KEY INSIGHTS

Three priorities stand out from the regulatory roadmap:

- **Focus on enforcement and supervision:** Several initiatives aim to improve monitoring procedures, payment controls and administrative sanctions, indicating a stronger enforcement phase as the market matures
- **Expansion of oversight beyond operators:** Updates to payment transaction rules and affiliate advertising suggest that regulators will increasingly supervise the broader ecosystem surrounding betting operators
- **Continued emphasis on responsible gambling:** The agenda also reinforces the importance of tools designed to monitor player behaviour and reduce gambling-related harm

Besides market growth and regulation evolution, the next major test for Brazil's regulated betting market will come from the **2026 FIFA World Cup**.



“Financial transactions and advertising rank high in the regulator’s priority for 2026.”

NEIL MONTGOMERY
FOUNDING AND MANAGING PARTNER, MONTGOMERY

6. WHAT'S NEXT

— 6.3 World Cup Readiness

Besides market growth and regulation evolution, the next major test for Brazil's regulated betting market will come from the **2026 FIFA World Cup**.

THE TOURNAMENT WILL BE:

- The **first World Cup with 48 teams**
- The **largest in history with 104 matches**
- The **first hosted by three countries: the United States, Mexico and Canada**
- Played across **16 host cities** from **11 June to 19 July 2026**

For Brazil's market, that matters because the World Cup is the largest stress test for:

- Platform stability
- Live betting performance
- Payment speed
- Pricing accuracy
- Customer support
- Fraud and bonus-abuse controls

These challenges are likely to be amplified by what Chapters 4 and 5 already showed:

- A **young and highly engaged bettor base**
- Widespread **multi-account behaviour**
- Strong sensitivity to **bonuses, pricing and product depth**
- Visibility of **offshore brands**
- A player base split between **entertainment and profit motives**

So while this chapter is about what comes next structurally, the World Cup is the clearest example of what comes next operationally, raising different challenges to the industry.



“The World Cup is an accelerator. It amplifies strengths and exposes weaknesses.”

PEDRO FEITOSA
PROFESSIONAL TIPSTER & TRADER

6. WHAT'S NEXT

— 6.4 Expert Insight



Why the World Cup Will Stress-Test Brazil's Betting Market

BY PEDRO FEITOSA
PROFESSIONAL TIPSTER & TRADER

The first breaking point during the World Cup is usually infrastructure. Simultaneous spikes in traffic, bets, and cashouts put pressure on servers, integrations with odds providers, and data feeds. In Brazil national team matches, the traffic curve is almost vertical.

The second critical point is pricing. Poorly adjusted odds in secondary markets (corners, cards, shots, player props) create disproportionate exposure. Overloaded traders make slower decisions — and the market punishes that.

Finally, customer support collapses when there is instability, delays in settlement, or uncertainty about market rules. In a major event, any friction quickly becomes a crisis.

During the World Cup, volume does not grow linearly — it explodes within specific windows: official lineups, kickoff, goals, penalties, and dramatic finishes.

RISK INCREASES BECAUSE:

- There is a massive influx of new users
- Emotional betting outweighs rational betting
- Average stake rises in decisive matches
- Multiples and accumulators gain traction

Operators that fail to adjust dynamic limits, confirmation delays, and real-time anti-fraud monitoring remain exposed to arbitrage, latency exploitation, and bonus abuse.

Live betting is where the World Cup is won or lost. The experience must be fluid, fast, and reliable. Brazilian bettors enjoy wagering live, reacting to the match as it unfolds.

THREE MAIN PRESSURES EMERGE HERE:

1. Data latency: any delay in the feed creates vulnerability
2. Emotional user management: cashout must be clear and fair
3. Market depth: offering only 10 options is not enough — bettors want variety >>

6. WHAT'S NEXT

— 6.4 Expert Insight

Brazil national team matches require maximum reinforcement. The competition is not only another bookmaker — it is the timing of the click.

MAJOR EVENTS REVEAL WEAKNESSES THAT GO UNNOTICED DURING NORMAL PERIODS:

- Excessive dependence on a single provider
- Slow back-office adjustments
- Communication gaps between trading, marketing, and compliance
- Poorly structured promotions that increase risk without proper control

Another sensitive area is payments. In Brazil, PIX speed is non-negotiable. Withdrawal delays during the World Cup result in immediate loss of trust.

THE BRAZILIAN MARKET IS CURRENTLY GOING THROUGH A PHASE OF REGULATORY MATURATION AND PROFESSIONALISATION. DURING THE WORLD CUP, THE CHALLENGES INTENSIFY:

- Educating new bettors
- Aggressive bonus competition
- Demand for clear communication
- Pressure for a flawless mobile experience

Moreover, Brazilian bettors value entertainment. It is not only about competitive odds; it is about experience, narrative, and interaction.

THE BRAZILIAN PROFILE IS PASSIONATE, ANALYTICAL, AND INCREASINGLY INFORMED. FOR THE WORLD CUP, BETTORS SEEK:

- Alternative markets (corners, cards, shots, individual performance)
- Fast and transparent cashout.
- Real-time statistics within the platform
- Boosts and enhanced odds on Brazil matches
- Customisable accumulators
- Simple and intuitive mobile functionality

Tools that integrate live data, implied probability, and recent historical performance increase retention. Users want to feel they have a strategic edge — not just luck. >>

6. WHAT'S NEXT

— 6.4 Expert Insight

PREPARATION DOES NOT BEGIN THE WEEK OF THE TOURNAMENT. IT BEGINS MONTHS IN ADVANCE:

1. Realistic infrastructure stress testing, simulating Brazil match traffic
2. Enhanced training for the trading team on markets specific to the Brazilian national team
3. Pre-configured dynamic limits and controls for high-volatility scenarios
4. Seamless integration with local payment methods, especially PIX
5. Clear and transparent communication regarding rules and settlement

The World Cup is also a moment of massive acquisition. But acquisition without retention is loss disguised as growth. CRM strategy must be aligned with post-event behaviour.

THREE RECOMMENDATIONS FOR BRAZILIAN OPERATORS

1. Prioritise stability over promotional aggressiveness

There is no point in offering the biggest bonus if the platform cannot handle traffic. Trust is worth more than a temporary boost

2. Invest heavily in structured live betting

Broad markets, solid liquidity, and active risk management. Live betting is the real battlefield

3. Think beyond the World Cup

Use the event to educate, engage, and build a qualified base. Operators who prepare their retention funnel now will benefit throughout the entire calendar

The World Cup is an accelerator. It amplifies strengths and exposes weaknesses. For Brazilian operators, it is an opportunity to demonstrate maturity, technological capability, and a deep understanding of local behaviour.

Those who treat the event merely as a revenue spike will face instability. Those who approach it as a long-term strategic test will emerge stronger, more solid, and better prepared to lead the market. ■

7. RECOMMENDATIONS FOR YEAR TWO

Looking ahead at **Brazil's betting market** raises a practical question: **what should be prioritised next?**

The following recommendations are drawn directly from the **contributors to this report** and reflect the **lessons, risks and opportunities** identified during the **first year of the regulated market**.



7. RECOMMENDATIONS FOR YEAR TWO

OPERATORS & MARKET STRATEGY



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1. Prioritise operational efficiency and cost optimisation

Operators that manage to structure more efficient operations will have a significant competitive advantage. This includes optimising technological infrastructure, automating compliance processes, and ensuring efficient integration with local payment systems.

2. Shift from aggressive acquisition to intelligent retention

The second year will require a change in mindset. Instead of focusing exclusively on mass user acquisition, operators will need to invest in retention and loyalty strategies, including advanced CRM and personalised player experiences.

3. Build strategic partnerships in the local market

Local partnerships — including payment providers, strategic affiliates, sports media, and technology suppliers — can reduce entry costs and accelerate adaptation to the market.



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1. Invest in customer satisfaction and support

This will not only enhance consumer brand loyalty but will also help reduce exposure to consumer claims, which can become a stone in an operator's shoe.

2. Keep up-to-date with new regulatory requirements

This helps operators avoid falling under the regulator's sanctioning authority.

3. Look out for potential M&A opportunities

The market is bound to start consolidating at some point and so knowing the right moment to move forward with acquisitions can enhance efficiencies and increase market share.



7. RECOMMENDATIONS FOR YEAR TWO

COMPLIANCE & LEGAL FRAMEWORK



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1. Automate AML/CFT monitoring

Ensure systems aligned with the risk matrix, capable of efficiently conducting investigations related to money laundering, fraud and gambling addiction.

2. Strengthen personal data governance

Review privacy policies, ensure legal basis for all data processing and achieve full integration with the Self-Exclusion Platform.

3. Adopt responsible gambling as a business strategy

Go beyond minimum regulatory requirements, investing in education, awareness and innovative tools such as AI to identify risky behaviour at an early stage.

1. Publish binding interpretive guidance on high-friction topics

The SPA should issue additional formal Q&As or technical notes that address recurring edge cases, especially around influencer/affiliate advertising attribution, “promotional” versus “informational” content, and evidentiary expectations for compliance audits, so operators converge on a defensible standard rather than over-complying by fear. This would operationalize Ordinance No. 1,231/2024 with predictable interpretations.

2. Standardize compliance data interfaces and timelines

Where obligations require systematic checks, reporting, or system integrations, publish uniform schemas, response SLAs, and versioned change logs (including transition periods). This reduces “moving target” risk and aligns with the technical orientation of Ordinance No. 722/2024, but makes implementation auditable and repeatable across the market.

3. Make enforcement signals legible and risk-based

Continue enforcement against illegal supply, but complement it with transparent, periodic metrics on violations, enforcement priorities and remediation expectations. Such transparency would be particularly relevant in areas where enforcement intersects with user eligibility rules. The goal is not to relax supervision, but to make it predictable and to reduce uncertainty costs for compliant operators in a market where enforcement actions are already significant in scale.



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7. RECOMMENDATIONS FOR YEAR TWO

POLICY & INSTITUTIONAL DIRECTION



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1. Change the strategy for channelising players into the regulated market

To channel players into the regulated sector, the government must change its strategy, rather than focusing on increasing taxes for licensed operators or banning advertising.

2. Preserve visibility for licensed operators

Without visibility, licensed operators will not be able to demonstrate to society that they comply with the law and uphold Responsible Gaming principles.

3. Maintain legal and tax certainty for the sector

There is still significant room for growth — provided that legal, institutional, and tax certainty are maintained.



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1. Prevent further tax increases on the sector

One of the sector's key challenges in Year Two will be preventing further tax increases.

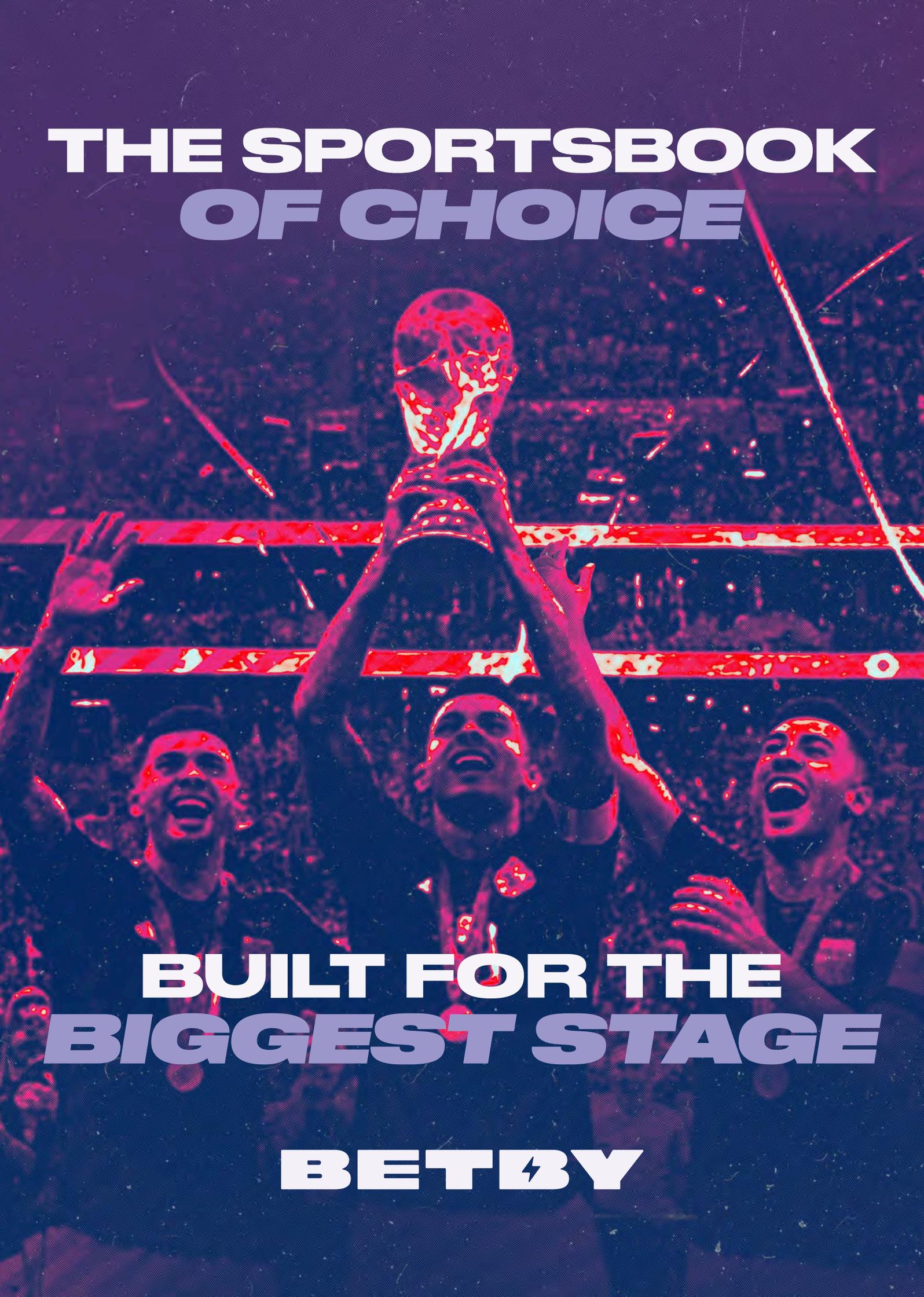
2. Intensify the fight against illegal operators

The continued fight against illegal operators requires ongoing enforcement and constant monitoring.

3. Manage political perception of the sector

Year Two will therefore require stability, continued enforcement, and careful management of political perception.

THE SPORTSBOOK OF CHOICE

A vibrant, high-energy photograph of a sports team celebrating a victory. The central focus is a player in a dark jersey, seen from the chest up, holding a large, ornate silver trophy high above his head with both hands. He has a look of intense joy and triumph. To his left and right, other team members are also visible, their faces lit up with excitement and shouting. The background is a blurred stadium filled with spectators, with bright lights and a sense of a large-scale event. The overall color palette is dominated by warm, golden-yellow and orange tones, creating a sense of heat and celebration.

**BUILT FOR THE
BIGGEST STAGE**

BETBY