

Events

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WHAT'S HAPPENING IN BRAZIL?

Brazil stands at the brink of a sea-change in regulated gaming and the potential is huge. With a population of over 200 million people and GDP amongst the 10 biggest world's economies, its gaming market total turnover, legal and illegal, is currently estimated to be more than USD 13 billion/year and it has been severely hampered by the lack of a clear all-embracing legislative framework.

It is also worth mentioning that federal lotteries currently hold the 18th world's highest position in gross lottery sales (USD 4 billion/year), regional lotteries run just by a handful of Brazilian states at the moment generates a turnover of USD 100 million/year and sports betting, which is still regarded as a grey market, has an estimated turnover of USD 1 billion/year.

For many years, games of chance were largely forbidden in Brazil by a policy deeply rooted in its 1937 dictatorial constitution allowing for a Presidential Decree in 1946 prohibiting gaming without Congress approval. It was largely based on religious grounds, advocated by the then very devout Catholic first lady, which is in itself contradictory, as the Catholic Church has never been against games of chance. Santa Casa has been operating lottery games in Portugal since 1783, with revenues currently reaching more than €3 billion/year and proceeds from lotteries, bingos, raffles etc. have been being used to raise funds for many churches around the world, even St. Peter's Basilica in Rome.

This long history of prohibition of gaming has sadly resulted in an environment where Brazilians have for much too long had no option but enjoy games of chance offered illegally. On top of that, Brazilian fiscus is not able to tax the illegal industry and the country lacks proper regulations aimed at protecting the interests of minors, punters and their families.

In 2015, government took the first steps in liberalizing its gaming market by permitting instant lotteries, both electronic and online, with a product called Lotex, which is expected to generate revenues around USD 2 billion/year. In 2018, further legislation was passed to legalize sports betting, both online and land-based, whose regulations should be issued within the next two years by the Ministry of Economy.

Also, there are two further bills ready to be voted on in parliament allowing wagering on the full spectrum of games in Brazil. They have not been voted on as yet because a small number of significant international players in the industry have been fuelling discord amongst politicians by not pushing their agendas collaboratively. Over the last years, there has been enough parliamentary support to approving gaming as a whole, especially bingo as it has some tradition in the country. If the gaming industry were acting in a more coordinated way to provide evidence about

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Last, but not least, this move towards a comprehensive and regulated gaming market is aligned with Brazil's new President Bolsonaro's liberal principles. He has always been against government intervening in individual's freedoms. Instead, he claims the role of government is to create a conducive environment for business to flourish while protecting the rights of individuals against exploitation. Summing up: the best is yet to come!



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The International Association of Gaming Advisors (IAGA) will hold its 38th Annual International Gaming Summit June 4 – 6 at The Ritz Carlton Half Moon Bay in California