

Tiago Bessa, lawyer at Vieira de Almeida & Associados, analyses what to expect from the country's recent public consultation

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The Portuguese gaming regulator (SRIJ) opened a consultation into the country's online gaming regulations **in January**, with an update on the market to be presented to Government by the end of May.

With the report looming, what changes can we expect to see to the country's regulations?

One of the key topics that will be under review is the current tax framework for fixed-odds sports betting (based on turnover and not on GGR), which is considered one of the major obstacles for more foreign investment in this area. However, the current statistics show that there are new players entering the market for sports betting (mainly national investors and casino companies) and that the tax levied on gambling and betting has always been well above €10m per quarter. This is a stream of revenues the state may not be willing to lose.

Although there is no official data on channelisation rates, the expectation is that **these rates are low** and thus the state could gain more revenues with a legal framework friendlier to foreign investment. Empirical data in some studies shows that low taxes lead to higher channelisation rates.

Other amendments could see: (i) the extension of the categories and types of gambling and betting available (currently only fixed-odds sports betting, mutual or fixed-odds horse racing and games of chance); (ii) streamlining the requirements to obtain licenses that are burdensome and may hamper new investment; (iii) reviewing the administrative payments and securities deposits necessary to obtain a licence; (iv) reconsidering the technical rules of the gambling technical system, namely the obligation to locate in Portuguese territory the relevant equipment and (v) adapting the rules on the issuing and renewal of licenses, which may be detrimental to long-term business cases.

The law does not mention what should be the next steps from the Government. There is absolutely no obligation of the Government to implement changes suggested by SRIJ and up until now there is no clarity on what the Government's intentions are on this matter. However, a broader revision of the gambling and betting regime in Portugal, namely to revise Santa Casa's monopoly on land-based sports betting, seems to be out of scope.

For good or bad reasons, 2018 will be a pivotal year in the development of the gambling and betting market in Portugal and stakeholders have certainly requested the update of the current legal framework that is not proving to be sound for the big players to enter the Portuguese market.

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