

## BY GABRIELA SÁ PESSOA AND MAURICIO SAVARESE

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SAO PAULO (AP) — Brazil on Friday started blocking over 2,000 gambling websites designated as irregular, part of a push by the government to regulate the sector. The move comes as concerns grow about addiction, especially among tens of millions of vulnerable people.

Authorities have begun enforcing a law signed by President <u>Luiz Inácio Lula da Silva</u> in December 2023, regulating and taxing betting companies. Brazil's government estimates more than 52 million people started betting online in the last five years.

Most types of gambling, such as casinos and slot machines, are illegal in Brazil, but online betting was authorized in 2018.

Currently, 96 companies which hold 210 gambling websites remain active. The federal government said in a statement that these firms have demonstrated a willingness to comply with the new legislation and can operate until the end of the year, while their license applications are reviewed.

Some of the betting companies that have not been authorized to operate in Brazil are taking their case to court. Others are seeking state authorizations that could give them the rest of the year to seek approval from the federal government.

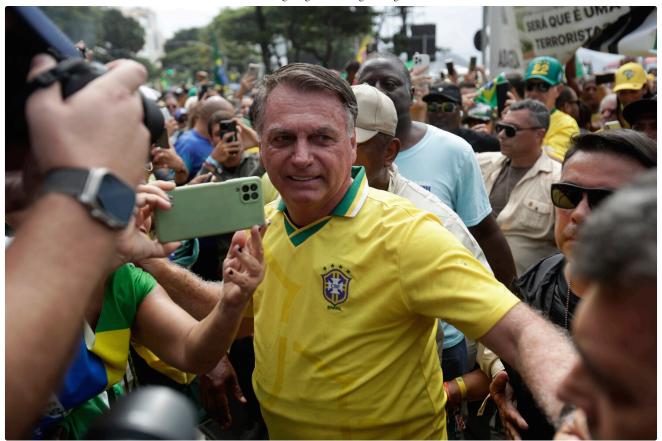
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Starting Jan. 1, 2025, companies granted operational clearance will be required to pay 30 million reais (\$ 5.3 million) and permanently comply with federal rules to curb fraud, money laundering, and abusive advertisements in order to remain in business.

Dario Durigan, executive secretary of the Ministry of Finance, was quoted as saying the government expects to protect players' integrity with these measures.

Brazil authorized online betting in 2018, but the lack of regulation has raised concerns among finance and health authorities. Psychiatrists have reported an increase in gambling addiction, while banks have noted a rise in related expenses.

Media companies and soccer clubs, however, benefited as betting companies boosted their sponsorship. Almost all the clubs in Brazil's top soccer division are sponsored by betting companies.

The Central Bank of Brazil estimates that Brazilians wager about 20 billion reais (\$3.5 billion) on bets each month. That includes beneficiaries of the cash-transfer federal welfare program Bolsa Familia (Family Grant), who spent 3 billion reais (\$530 million) on online gambling in August.

In late September, the federal government announced plans to implement measures to prevent welfare benefits from being used for gambling. These programs were designed to ensure food security and meet the basic needs of vulnerable families.

The uncertainty over the future of some betting companies has affected Brazilian teams in various sports, chiefly soccer. Local sports executives have expressed concerns about losing revenue if those companies are permanently blocked and have appealed for the federal government to allow them to keep functioning.



## **MAURICIO SAVARESE**

Savarese is a reporter since 2004, with a vast experience covering soccer and politics. English, Español, Português, some French and a bit of Italian.









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