

## **The Regulation and Taxation of Fixed-Odds Betting in Brazil from the Perspective of Operating Companies: Accounting, Financial and Legal Impacts of the New Regulatory Model**

*A Regulamentação e a Tributação das Apostas de Quota Fixa no Brasil sob a Ótica das Empresas Operadoras: Reflexos Contábeis, Financeiros e Jurídicos do Novo Modelo Regulatório*

*La Regulación y la Tributación de las Apuestas de Cuota Fija en Brasil desde la Perspectiva de las Empresas Operadoras: Impactos Contables, Financieros y Jurídicos del Nuevo Modelo Regulatorio*

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### **Abstract:**

Fixed-odds betting has experienced significant growth in Brazil in recent years, driven by the expansion of digital platforms and the increasing participation of consumers in this market. In this context, the regulatory framework established by Law No. 14,790/2023 introduced new rules for the operation of betting activities, generating relevant impacts on operating companies. This study aims to analyze whether the Brazilian fixed-odds betting model presents a predominantly regulatory or revenue-generating purpose, considering its legal, financial, and accounting effects from the perspective of operating companies. To achieve this objective, a bibliographic and documentary research was conducted, based on the analysis of Brazilian legislation, accounting standards applicable to the sector, and regulatory models adopted by the U.S. states of New York and Massachusetts. The findings indicate that the Brazilian regulatory framework has a hybrid nature, combining measures aimed at consumer protection, anti-money laundering policies, sports integrity, and responsible gambling with mechanisms designed to generate public revenue. However, the comparative analysis suggests that the revenue-generating dimension occupies a prominent position within the Brazilian model, particularly due to the high authorization fee required for market entry and the tax burden imposed on the activity. It is concluded that the regulation seeks to organize and supervise the sector while also serving as an important source of public revenue, producing significant impacts on the management, financial structure, and accounting records of operating companies.

### **Keywords:**

fixed-odds betting; regulation; taxation; operating companies.

### **Resumo:**

As apostas de quota fixa passaram por significativa expansão no Brasil nos últimos anos, impulsionadas pelo avanço das plataformas digitais e pela crescente participação dos consumidores nesse mercado. Diante desse cenário, a disciplina normativa instaurada pela Lei nº 14.790/2023 estabeleceu novas regras para a exploração da modalidade, trazendo impactos relevantes para as operadoras. O presente estudo teve como objetivo analisar se o regime brasileiro de apostas de quota fixa apresenta predominância de finalidade arrecadatória ou regulatória, observando seus reflexos jurídicos, financeiros e contábeis sob a perspectiva das operadoras. Para alcançar esse objetivo, foi realizada pesquisa bibliográfica e documental, com análise da legislação nacional, de normas contábeis aplicáveis ao setor e de modelos

regulatórios adotados pelos estados norte-americanos de New York e Massachusetts. Os resultados indicam que o marco regulatório brasileiro possui natureza híbrida, combinando mecanismos voltados à proteção do consumidor, à prevenção de práticas financeiras ilícitas, à integridade esportiva e à promoção do jogo responsável com instrumentos destinados à geração de receitas públicas. Entretanto, a análise comparativa demonstrou que a dimensão arrecadatária assume posição de destaque no modelo brasileiro, especialmente em razão da elevada outorga exigida para ingresso no mercado e da carga tributária incidente sobre a atividade. Conclui-se que o sistema normativo busca organizar e fiscalizar a atividade, mas também se apresenta como importante instrumento de arrecadação estatal, produzindo impactos relevantes na gestão, na estrutura financeira e nos registros contábeis das operadoras.

**Palavras-chave:**

apostas de quota fixa; regulamentação; tributação; empresas operadoras.

**Resumen:**

Las apuestas de cuota fija han experimentado una expansión significativa en Brasil en los últimos años, impulsada por el avance de las plataformas digitales y la creciente participación de los consumidores en este mercado. Ante este escenario, el marco normativo establecido por la Ley n.º 14.790/2023 introdujo nuevas reglas para la explotación de esta modalidad, generando impactos relevantes para las empresas operadoras. El presente estudio tuvo como objetivo analizar si el régimen brasileño de apuestas de cuota fija presenta un predominio de finalidad recaudatoria o regulatoria, observando sus efectos jurídicos, financieros y contables desde la perspectiva de las operadoras. Para alcanzar este objetivo, se realizó una investigación bibliográfica y documental, basada en el análisis de la legislación nacional, de las normas contables aplicables al sector y de los modelos regulatorios adoptados por los estados norteamericanos de Nueva York y Massachusetts. Los resultados indican que el marco regulatorio brasileño posee una naturaleza híbrida, combinando mecanismos orientados a la protección del consumidor, la prevención de prácticas financieras ilícitas, la integridad deportiva y la promoción del juego responsable con instrumentos destinados a la generación de ingresos públicos. Sin embargo, el análisis comparativo demostró que la dimensión recaudatoria ocupa una posición destacada en el modelo brasileño, especialmente debido al elevado canon exigido para ingresar al mercado y a la carga tributaria aplicada a la actividad. Se concluye que el sistema normativo busca organizar y fiscalizar la actividad, pero también se presenta como un importante instrumento de recaudación estatal, produciendo impactos relevantes en la gestión, en la estructura financiera y en los registros contables de las empresas operadoras.

**Palabras clave:**

apuestas de cuota fija; regulación; tributación; empresas operadoras.

**INTRODUCTION**

In recent years, fixed- odds betting they passed the occupy space each time more relevant in Brazil, especially in reason for the growth of the platforms digital and expanding access for the population the that modality. This advancement made the topic won emphasis no not only in the economic field, but also in the legal and regulatory fields, requiring the State to...

performance more clear in Organization and oversight of the sector .

On one side , the landmark regulatory can be understood as A tool for controlling the activity , aimed at protecting the consumer and promoting gambling . responsible , to the prevention of money laundering , to integrity sports and safety legal aspects of the segment . On the other hand, it is equally The presence of mechanisms is perceptible. focused on fundraising state-owned , such taxation , licensing fees and allocation of revenue public originating from the exploration economics of the modality . Given this , it becomes necessary examine which of these purposes takes the position predominant in the Brazilian regime .

From this perspective , a Central issue : the Brazilian fixed- odds betting system he was structured with a predominance of purpose revenue or Regulatory ? The answer is relevant. because the way the The activity is disciplined. affects directly to the operators , influencing your obligations legal requirements regulatory issues , operating costs and impacts accounting and financial .

Thus, the present work he has as objective general to analyze whether the Brazilian fixed- odds betting system he was structured with a predominance of purpose revenue or regulatory , observing your reflexes about the operators .

To achieve this goal In general , they were defined you following objectives Specifics :

- i . describe the structure Regulations for fixed -odds betting in Brazil ;
  - ii. identify you collection mechanisms planned for the sector ;
  - iii. examine the requirements regulatory imposed to the companies operators ;
  - iv. analyze you reflexes accounting and financial of these mechanisms about such companies ;
- and
- v. compare the model Brazilian with models state Selected from the United States .

The comparison with The United States proves itself relevant. because the country adopts a system decentralized , in which the states have bigger autonomy to standardize the activity . This characteristic allows observe experiences distinct , some with greater emphasis revenue-raising and others with greater density regulatory . For this research , will be considered you states of New York and Massachusetts, by present models relevant for comparative purposes .

Methodologically , the analysis it will be developed from a headquarters comparative structured in two axes Main areas : revenue collection and regulation . On the axis revenue-raising , will be observed aspects such as tax burden , licensing fees , operator taxation , bettor taxation , and allocation of resources . public . On the axis regulatory , will be analyzed criteria as competence regulations , authorization process , inspection , protection to the consumer , game responsible , anti - money laundering and integrity sports . With this , the aim is to understand in

a more... The model drawing is needed . Brazilian and the effects what he produces about companies operators .

The study It thus intends to contribute to understanding . A critique of the legal framework for fixed -odds betting in Brazil , investigating whether the logic predominant system this more aimed at raising funds state or to the regulation of the activity , as well as you impacts practical aspects of this choice about companies authorized .

From the perspective academic research proves to be relevant in reason for the increase need for studies focused on understanding the framework regulatory framework for fixed -odds betting in Brazil and its impacts legal , economic and institutional . Despite the expansion of the segment us last years , it is a theme relatively recent in the scenario Brazilian , especially with regard to the consolidation of standards . specific and to effects produced by the discipline regulations on the activity economic developed by operators .

The research The aim is , therefore , to contribute to a deeper discussion . academics Regarding the purposes of the new framework regulatory Brazilian , allowing one analysis critique about the relationship between regulation state - owned , revenue generation Public policies and the functioning of the fixed -odds betting market .

Beyond relevance academic research also it presents social importance , considering the growth expressive of the bets sports in the daily lives of the population Brazilian and the impacts economic and institutional resulting from this expansion . The discipline industry regulations involves questions related to collection public , consumer protection , prevention of practices financial illicit , to game responsible and safe

legal aspects of the activities economic developed by Operators . Understanding. like the regulatory regime Brazilian he was structured and what are its effects? produces about companies and about herself society This contributes to broadening the debate about the efficiency , limits , and purposes of action. state in this market expansion .

## **LITERATURE REVIEW**

### **Regulation of fixed-odds betting in Brazil**

The regulation of fixed-odds betting in Brazil gained prominence with the expansion of the online betting market. This scenario meant that the issue was no longer just a discussion about allowing or prohibiting gambling, but also involved oversight, revenue collection, user protection, and control of the operators' activities.

The debate on the regulation of lotteries and other games of chance in Brazil has been developing within the legislative sphere through various bills. Analyzing proposals under consideration in the Chamber of Deputies, Figueiredo Filho et al. (2024) demonstrate that the regulation of these activities did not arise in isolation, but as a result of a broader political and institutional process. This debate involves economic interests, such as revenue and job creation, but also social concerns, such as pathological gambling, indebtedness, money laundering, corruption, and other negative effects associated with gambling.

The expansion of online betting sites has also increased concerns related to tax evasion and the lack of adequate protection for bettors. This growth has amplified the challenges of oversight, as many platforms have begun operating in a way that is accessible to the Brazilian public without sufficient state control. In this sense, regulatory discipline has come to be seen as necessary to organize the sector, reduce risks, and subject companies to clearer operating rules (MARINHO; GOMES, 2024).

Law No. 13,756/2018 represented a first step in this process, recognizing fixed-odds betting as a lottery modality. However, this law did not fully regulate the operation of operators, leaving gaps regarding authorization, oversight, taxation, and user protection. During this period of uncertainty, companies operated in the Brazilian market with weak oversight and without adequate tax collection, which reinforced the need for more detailed regulation (UCHÔA, 2025).

The consolidation of this milestone occurred with Law No. 14,790/2023, which began to regulate the commercial exploitation of this type of betting in the country in a more comprehensive way. The law defines betting as the act of placing a certain amount of money at risk in the expectation of obtaining a prize and defines fixed odds as the multiplication factor that indicates in advance how much the bettor may receive if they are correct. Furthermore, it establishes that the operation of this activity depends on authorization from the Ministry of Finance and must be carried out by a legal entity constituted according to Brazilian law, with its headquarters and administration in the country (BRASIL, 2023).

The analysis by Silva and Rezende (2024) reinforces that Law No. 14,790/2023 created rules for the operation of betting houses, requirements for authorization, rights of bettors, duties of operators, and regulations on tax collection. Thus, the legislation not only legalizes the activity but also creates mechanisms for controlling and holding companies operating in the sector accountable.

### **Revenue-raising purpose in the Brazilian model**

The revenue-raising purpose is related to the State's interest in transforming a given economic activity into a source of public revenue. In the case of fixed-odds betting, this dimension manifests itself through the collection of taxes, fees, concessions, and other financial obligations imposed on operators and, in certain cases, on the bettors themselves.

The taxation of fixed-odds betting constitutes one of the central pillars of the new Brazilian regulatory framework. Uchôa (2025) observes that the regulation seeks to formalize a segment that previously operated with little state supervision, creating conditions for the State to monitor the activity and collect taxes on it. In this sense, taxation should be understood as part of the state strategy to incorporate the modality into the formal market, reduce informality, and create fiscal control mechanisms.

The revenue-generating dimension is also evident in the collection of the concession fee. According to Law No. 14,790/2023, authorization to operate fixed-odds betting may be conditional upon the payment of a fixed amount limited to R\$ 30,000,000.00. This amount demonstrates that entry into the regulated market requires significant economic capacity from interested companies. The concession fee, therefore, serves a dual function: it contributes to the generation of public revenue and acts as a mechanism for selecting economic agents capable of meeting the financial, technical, and legal requirements of the activity.

The taxation of prizes received by bettors also reveals a specific revenue-raising logic for fixed-odds betting. Instead of considering only the gross amount received by the bettor, the legislation allows observation of the economic result of the operation, that is, the difference between the amount wagered and the amount received. Godoi (2024) observes that this treatment brings fixed-odds betting closer to the logic of risky investments, since taxation is levied on the net gain, and not simply on the total prize.

### **Regulatory purpose in the Brazilian model**

The regulatory purpose is related to controlling the activity, overseeing economic agents, and protecting collective interests. In the case of fixed-odds betting, this purpose appears in the requirement for state authorization, the imposition of technical and financial requirements on operating companies, the prevention of money laundering, the promotion of responsible gambling, the protection of bettors, the control of advertising, and the preservation of sporting integrity.

From a regulatory standpoint, gambling involves a constant tension between economic

benefits and social costs. While it can generate revenue and economic opportunities, it can also be associated with problems such as excessive debt, fraud, manipulation of sports results, and misuse of the financial system. The control function, therefore, is not limited to authorizing the activity, but involves creating rules to reduce harm, protect consumers, and guide the economic exploitation of the sector (FIGUEIREDO FILHO et al., 2024).

Law No. 14,790/2023 demonstrates this concern by establishing rules on advertising, customer service for bettors, ombudsman services, cybersecurity, the integrity of bets, and the prevention of match-fixing. These requirements show that the State seeks to continuously monitor the activity, preventing the market from operating solely on the logic of private profit (BRAZIL, 2023).

The accountability of betting companies in consumer relations also reinforces this dimension. The regulation ensures bettors rights such as clear information about betting rules, conditions for receiving prizes, risks of losing wagered amounts, and protection of personal data. It also requires a free customer service channel in Portuguese and imposes limits on advertising, prohibiting advertisements that present betting as a solution to financial problems, an alternative to employment, a source of additional income, or a form of investment. In this sense, Silva and Rezende (2024) point out that the existence of bettors' rights and operators' duties demonstrates that the regulatory framework creates mechanisms for controlling and holding companies accountable in case of non-compliance with the rules.

### **Regulatory requirements imposed on operating companies**

Operators occupy a central position in the regulatory framework established in Brazil, as they are primarily responsible for fulfilling the obligations established by law. The regulation stipulates that the operation of the activity will be exclusive to legal entities previously authorized by the Ministry of Finance, which must be constituted according to Brazilian law, with headquarters and administration in the national territory — which demonstrates the State's attempt to bring legal, fiscal, and operational responsibility for fixed-odds betting to the country (BRASIL, 2023).

The requirement for prior authorization reveals that the Brazilian model did not adopt a broad and unrestricted liberalization of the activity. On the contrary, the operation of betting depends on an administrative act of the State, granted after analysis of the documentation, the technical and financial capacity of the company, and the reputation of its controllers and administrators. The authorization is also highly personal, non-negotiable, and non-transferable,

and may be reviewed in cases of significant corporate changes.

The regulation also imposes structural requirements on operating companies, such as minimum share capital, proof of experience in the sector, requirements for directors, designation of responsible parties before the Ministry of Finance, customer service for bettors, ombudsman, cybersecurity, and certification of the systems used. These elements indicate that the regulation reaches the company's own internal organization, requiring a minimum structure for safe operation.

Beyond structural requirements, the legislation mandates the adoption of mandatory corporate policies. Authorized companies must implement internal procedures and controls focused on serving bettors, preventing money laundering and terrorist financing, promoting responsible gambling, preventing disorders related to pathological gambling, ensuring the integrity of bets, and combating match-fixing. This demonstrates that operators are not merely economic agents exploiting the activity, but also assume duties of control, prevention, and cooperation with public authorities.

The demands placed on operators demonstrate, therefore, that the Brazilian regime has a strong regulatory component, although it also presents clear fiscal objectives. The regular functioning of this modality depends not only on the payment of taxes and fees, but also on compliance with technical, financial, administrative, accounting, and integrity obligations. These requirements also produce significant accounting implications, especially in the recognition of assets, regulatory expenses, provisions, and internal controls necessary for compliance with legal obligations. The regulatory framework, therefore, directly impacts the costs, organizational structure, and operational methods of these companies.

## **METHODOLOGICAL PROCEDURES**

This research is exploratory and descriptive in nature, as it seeks to understand how the Brazilian model for regulating fixed-odds betting is structured and to describe its main legal, tax, and regulatory elements. Furthermore, the study compares models adopted in US states to observe similarities and differences with the Brazilian case. Regarding the approach, this is qualitative research, as the analysis will be developed from the interpretation of regulations, official documents, scientific articles, and other materials related to the topic.

According to Vergara (2016), exploratory research is conducted in areas where there is little accumulated and systematized knowledge, while descriptive research aims to expose characteristics of a given phenomenon or population. These classifications are suitable for the

objectives of this study, which seeks to understand and describe the main aspects of the regulatory framework for fixed-odds betting in Brazil.

The research will be conducted through bibliographic and documentary analysis. According to Vergara (2016), bibliographic research is developed based on published material, such as books, scientific articles, dissertations, and theses, while documentary research uses documents kept in public or private bodies, including legislation, regulations, and institutional records. For this purpose, Brazilian legislation on fixed-odds betting will be analyzed, as well as institutional norms and information relating to the states of New York and Massachusetts, chosen because they present relevant models for the proposed comparison.

The research scenario encompasses the regulatory context of fixed-odds betting in Brazil and the United States, considering how each system organizes the authorization of the activity, state revenue collection, operator oversight, and consumer protection.

The objects of analysis will be the legal norms, the taxation mechanisms, the licensing processes, the requirements imposed on operating companies, and the control and oversight instruments foreseen in each model studied.

Data collection will be carried out by consulting legislation, regulations, official documents, scientific articles, academic papers, and specialized publications on the regulation, taxation, and operation of the sports betting market.

To analyze the collected information, a comparative matrix organized into two main axes will be used: revenue collection and regulation. The revenue collection axis will examine elements such as taxation, licensing fees, concessions, and the allocation of public revenue. The regulatory axis will analyze aspects such as operating permits, oversight, consumer protection, money laundering prevention, responsible gaming, and sports integrity. Based on this comparison, the aim is to determine whether the Brazilian model is predominantly revenue-collecting or regulatory in nature, and to understand the impact of this structure on operating companies.

## **ANALYSIS AND DISCUSSIONS OF RESULTS**

### **Accounting and financial implications for operators**

The regulatory framework for fixed-odds betting not only generates legal effects, but also direct impacts on the financial, asset, and accounting structure of operators. This is because operating legally in the segment requires expenses related to authorization,

technical adaptation, internal controls, cybersecurity, and compliance with various legal obligations stipulated by Law No. 14,790/2023.

Initially, the required concession fee for obtaining an operating license should be highlighted. As stipulated by law, this amount can reach R\$ 30,000,000.00, representing a significant investment for companies interested in operating in the regulated market. From an accounting perspective, this disbursement can be analyzed in light of CPC 04 (R1) – Intangible Assets, since the authorization grants the company the right to economically exploit the activity for a specified period, generating future economic benefits.

In practice, an operator that pays the concession fee acquires the right to operate in the regulated market. Instead of recognizing this amount in full as an immediate expense, the organization can record it as an intangible asset and allocate it to profit or loss over the term of the authorization.

According to Iudícibus (2021), accounting recognition should reflect the economic essence of transactions, allowing for a faithful representation of rights, obligations, and

From this perspective, the authorization to operate fixed-odds betting has characteristics compatible with the definition of an intangible asset, as it grants the operator the right to economically exploit a regulated activity during the term of the license.

Another relevant aspect concerns revenue recognition. Although operators handle high financial volumes daily, not all wagered amounts effectively represent company revenue. In light of CPC 47 – Revenue from Contracts with Customers, for example, if an operator collects R\$ 1,000,000.00 in bets during a given period and distributes R\$ 850,000.00 in prizes to winning bettors, the amount actually recognized as revenue corresponds to Gross Gaming Revenue (GGR), equivalent to R\$ 150,000.00. Therefore, the operator's revenue does not correspond to the total amount wagered, but to the economic result effectively obtained from the activity.

Furthermore, the regulations require ongoing investments in monitoring systems, anti-money laundering measures, personal data protection, platform certification, audits, and responsible gaming programs. These expenditures represent operational and administrative costs that directly impact the Income Statement.

Another important consideration relates to regulatory risks. Law No. 14,790/2023 provides for administrative sanctions for companies that fail to comply with legal requirements, demanding, when applicable, the accounting recognition of provisions to adequately reflect the probability of future obligations.

Regulatory requirements also increase the importance of internal controls and accounting records. Legislation mandates mechanisms for identifying bettors, tracing transactions, financial monitoring, and preventing money laundering, reinforcing the need for complete, reliable, and verifiable records.

Thus, it is clear that the regulation of fixed-odds betting produces impacts that go beyond tax collection and state oversight, directly influencing the recognition of assets, revenues, expenses, provisions, and internal controls. These effects can be summarized in the following table, which relates some regulatory requirements to their respective accounting effects and applicable standards .

**Table 1 – Accounting implications of the regulation of fixed-odds betting**

<b>Regulatory requirement</b>	<b>Accounting reflection</b>	<b>Applicable standard</b>
Payment of the grant for authorization.	Recognition of intangible assets	CPC 04 (R1)
Receiving bets	Recognition of net operating revenue (GGR)	CPC 47

Source: Prepared by the authors based on CPC Technical Pronouncements and Brazilian Accounting Standards.

Based on the table, it can be observed that the regulatory discipline imposes on operators a reorganization not only legal, but also accounting and managerial. The authorization to operate, the proper recognition of revenues — in accordance with the principles of CPC 04 (R1) and CPC 47 — and the need for internal controls demonstrate that accounting plays an essential role in the transparency and compliance of authorized companies.

### **Brazilian model compared to US state models**

Comparative analysis helps to understand the Brazilian system more clearly, as it shows that there are different ways to balance revenue collection, oversight, and consumer protection. Uchôa observes that, in more mature markets, taxation tends to fall mainly on operators, with less direct weight on bettors' winnings—a relevant comparison to assess whether the national system imposes a more intense economic burden on the regulated market.

Figueiredo Filho et al. emphasize that the regulation of gambling and betting should be considered a public policy, and not merely a revenue-generating mechanism. The comparison with US states such as New York and Massachusetts is therefore useful for this work, since these models offer distinct solutions for taxation, authorization, oversight, and user protection, serving as a benchmark to assess whether Brazil is closer to a predominantly revenue-generating system or one with greater regulatory density.

Based on these criteria, a comparative matrix between Brazil, the State of New York, and the State of Massachusetts is presented below, considering legal, revenue-raising, and regulatory aspects. The matrix highlights the main similarities and differences between the systems analyzed, allowing us to identify how each location structures the operation of sports betting and which purposes are most prominent.

**Table 2 – Comparative matrix between Brazil, New York and Massachusetts**

<b>Criterion</b>	<b>New York</b>	<b>Brazil</b>	<b>Massachusetts</b>
<b>Legal basis</b>	New York Racing, Pari-Mutuel Wagering and Breeding Law, §1367-A, which governs mobile sports. wagering .	Law No. 14.790/2023, which regulates fixed-odds betting nationwide.	Massachusetts General Laws , Chapter 23N, which regulates sports betting in the state.
<b>Regulatory body</b>	New York State Gaming Commission.	Prizes and Betting Secretariat of the Ministry of Finance — SPA/MF.	Massachusetts Gaming Commission — MGC.

Criterion	New York	Brazil	Massachusetts
<b>Type of authorization</b>	sports operation wagering .	Federal authorization for the commercial operation of fixed-odds betting.	State license for operating in-person and online sports betting.
<b>Value of the grant or license.</b>	US\$25,000,000 for each platform Authorized provider .	R\$ 30,000,000.00, allowing the exploitation of up to three trademarks.	US\$5,000,000 for the initial license, with renewals also at US\$5,000,000.
<b>Authorization period</b>	It can last up to 10 years, with possible subsequent renewal.	5 years.	Temporary license: 1 year – US\$ 1,000,000.00 Permanent License: 5 years – US\$ 5,000,000.00 (the cost of the temporary license is deducted).
<b>Territorial scope</b>	Statewide, limited to the State of New York.	National, operating throughout the Brazilian territory.	Statewide, limited to the State of Massachusetts.
<b>Online betting</b>	Allowed through mobile sports wagering , requiring geolocation in the State of New York.	Allowed for companies authorized by SPA/MF.	Allowed for licensed operators, with oversight from the Massachusetts Gaming Commission.
<b>Revenue-raising purpose</b>	Strong revenue-raising character, especially due to the high cost of the license and the taxation levied on the activity.	Strong revenue collection presence, with high concession fees, taxation of operators, and taxation of bettors' winnings.	It has revenue, but it's less prominent compared to New York.
<b>Regulatory purpose</b>	A highly regulated model, with technological control, geolocation, and state oversight.	It requires authorization, oversight, responsible gaming, consumer protection, prevention of	A heavily regulated model, with emphasis on responsible gaming,

Criterion	New York	Brazil	Massachusetts
		money laundering, and sporting integrity.	consumer protection, advertising control, and data security.
<b>Model profile</b>	State-level, restrictive, technological, and revenue-generating.	National, centralized, competitive, and with a strong interest in raising revenue.	State-level, regulatory, protective, and supervisory.

Source: Prepared by the authors, based on Law No. 14.790/2023, at New York Racing, Pari-Mutuel Wagering and Breeding Law, §1367-A, and Massachusetts General Laws , Chapter 23N

Analysis of the matrix reveals that the Brazilian regime shares relevant characteristics with the model adopted by the State of New York, especially regarding the high economic barrier to entry and the strong presence of public revenue-generating mechanisms. In both cases, the exploitation of the activity is associated with significant authorization and licensing costs, demonstrating that the revenue-raising dimension plays a central role in the regulatory structure.

Massachusetts, on the other hand, presents a more consumer-oriented approach and a focus on regulating the activity. Aspects such as responsible gambling, continuous monitoring of operators, and user protection take on greater prominence compared to revenue-raising instruments.

The results suggest that the Brazilian system cannot be classified as exclusively revenue-generating or exclusively regulatory. International comparisons indicate, however, that the fiscal dimension occupies a prominent position in the national regulatory structure, especially when considering market entry costs, taxation on the activity, and the expected generation of public revenue. Brazil thus adopts a hybrid structure, but with a strong revenue-generating inclination when compared to the analyzed US state systems.

### **Benefits and challenges of the Brazilian model for operating companies.**

The regulation of fixed-odds betting has brought important benefits to operators. Among them, the most notable is the greater legal certainty provided by the existence of specific rules for the operation of the segment. The definition of criteria for authorization, supervision, and operation of companies reduces the uncertainty that existed in the period prior to the enactment of the

regulatory framework and contributes to the formalization of the market.

Another significant benefit is the increased credibility of the sector among consumers, investors, and public bodies. The existence of control mechanisms, protection for bettors, and prevention of money laundering tends to strengthen confidence in the regulated market and foster more stable commercial relationships.

On the other hand, regulation also poses significant challenges to operators. The high cost of the license, regulatory compliance, and requirements related to security, governance, and internal control increase companies' operating costs. These factors can hinder the entry of new operators and favor organizations with greater financial capacity.

From an accounting perspective, these challenges directly impact the preparation of operators' financial statements. The payment of the concession fee influences the composition of the company's assets, compliance expenses affect operating expenses, and potential regulatory risks may require the recognition of provisions. Therefore, regulation alters not only the legal structure of the sector, but also the way economic events are recorded, measured, and disclosed by organizations.

It is therefore clear that the Brazilian regime is neither exclusively revenue-generating nor exclusively regulatory. It is a hybrid structure that combines mechanisms for generating public revenue—such as granting licenses and taxation—with control instruments, such as authorization, oversight, promotion of responsible gambling, consumer protection, and prevention of money laundering. The analysis indicates, however, that the fiscal dimension assumes a more prominent position, especially due to the high cost of market entry and the tax burden on the activity. It is concluded, therefore, that the Brazilian regulation of fixed-odds betting seeks to organize and oversee the sector, but also constitutes an important instrument for state revenue collection.

## **FINAL CONSIDERATIONS**

The present search had as objective To analyze the regulation and taxation of fixed - odds betting in Brazil from the perspective of companies. operators , seeking identify if the model adopted for the country it presents predominance of purpose revenue or regulatory . To achieve this goal , a search bibliographic and documentary, based in legislation in force , in studies academics about the sector and in comparison with models regulatory international , especially those ones adopted by the states Americans from New York and Massachusetts.

The study demonstrated that the sports betting market has experienced accelerated growth in recent years, driven mainly by the expansion of digital platforms and the popularization of online betting. For a long period, however, the activity operated in an environment of legal uncertainty, marked by the absence of specific regulations and the operation of numerous foreign companies without effective supervision from the Brazilian State. The enactment of Law No. 14,790/2023 represented, in this scenario, a significant regulatory advancement, establishing rules for operating authorization, taxation, oversight, and user protection.

Analysis of the legislation revealed that the Brazilian regulatory framework has multiple objectives. On the one hand, there is concern for consumer protection, prevention of money laundering, sports integrity, security of financial transactions, and the promotion of responsible gambling. These measures demonstrate the existence of a relevant regulatory dimension, aimed at reducing the risks associated with the activity and promoting greater legal certainty.

On the other hand, the research showed that the generation of public revenue occupies a prominent position in the regulatory structure adopted by Brazil. The collection of fees for entry into the regulated market, the taxation levied on operators and on bettors' winnings, as well as the allocation of part of these resources to different areas of public administration, demonstrate that the regulatory discipline was also conceived as a fiscal instrument of the State. It was thus found that revenue collection is not a mere secondary effect of the regulatory framework, but one of its central elements.

This characteristic becomes even more evident when observing the legal allocation of the collected funds, directed to areas such as social security, sports, education, public safety, and other government policies stipulated by law. The regulatory system not only controls economic activity, therefore, but also utilizes the betting market as a mechanism for state financing.

Another aspect identified throughout the research refers to the growing importance of accounting in the context of operators. The need to properly record intangible assets — based on CPC 04 (R1) —, recognize revenues according to the criteria of CPC 47, and measure provisions and regulatory costs demonstrates that accounting compliance is becoming strategic within these organizations. In this sense, regulatory discipline contributes to increasing transparency, the quality of financial information, and the reliability of the financial statements presented to the market and regulatory bodies.

The comparison with the models adopted by New York and Massachusetts contributed to a broader understanding of the international regulatory landscape. It was found that New York presents characteristics similar to those observed in Brazil, especially regarding the high economic burden imposed on operators and the strong focus on revenue collection. In contrast,

Massachusetts demonstrates a greater balance between revenue collection and consumer protection, with mechanisms more geared towards educating gamblers, preventing compulsive behaviors, and monitoring the activity.

This comparison allowed us to observe that different regulatory models can coexist, varying according to the priorities defined by the public authorities. From the operators' perspective, it was found that regulation produces significant legal, financial, and accounting repercussions. From a legal standpoint, organizations have become subject to a broader set of obligations related to operating authorization, prevention of money laundering, protection of personal data, and regulatory compliance. From a financial perspective, the costs arising from obtaining authorization, the tax burden on the activity, and the investments necessary to adapt to legal and operational requirements stand out.

From an accounting perspective, it was found that regulatory discipline directly influences how certain economic events should be recognized and disclosed by operators. Two pronouncements play a prominent role in this context. CPC 04 (R1) – Intangible Assets – provides the basis for the treatment of consideration paid for authorization, as it represents a right to economic exploitation capable of generating future benefits. CPC 47 – Revenue from Contracts with Customers – guides the recognition of revenue, considering that the amount effectively appropriated by the operator corresponds to the margin obtained after the payment of premiums – the so-called Gross Gaming. Revenue (GGR).

Furthermore, the increased relevance of internal controls, corporate governance, and transparency of financial information was identified. The demands for traceability of operations, user identification, and prevention of money laundering amplify the need for reliable accounting records and robust control systems, reinforcing the strategic role of accounting within organizations operating in this sector.

In light of the above, it can be concluded that the Brazilian fixed-odds betting model has a hybrid nature, simultaneously combining regulatory and revenue-raising mechanisms. However, the results obtained indicate that the revenue-raising dimension assumes a predominant position in the currently adopted structure, evidenced by the high licensing fee required for market entry, the tax burden on the activity, and the government's expectation of generating public revenue. This does not mean that regulatory objectives are irrelevant, but rather that revenue collection constitutes the most prominent element in the current Brazilian regulatory model.

Finally, it is worth noting that the regulation of fixed-odds betting is still in a relatively recent implementation phase, which limits the observation of its long-term effects. Therefore,

it is recommended that future research investigate the effective economic impacts of the regulatory framework on the Brazilian market, the results obtained in terms of consumer protection and money laundering prevention, as well as the accounting implications arising from the practical application of CPC 04 (R1) and CPC 47 in the financial statements of operators. The topic thus remains relevant for further studies, especially given the need to assess, over time, whether the Brazilian regime will be able to balance state revenue, legal certainty, social responsibility, and economic sustainability for authorized companies.

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