

# iGB

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## Change comes to Mexico

Long-awaited regulatory revisions  
bring opportunities and potential challenges

**iGB**

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**Change comes to Mexico**

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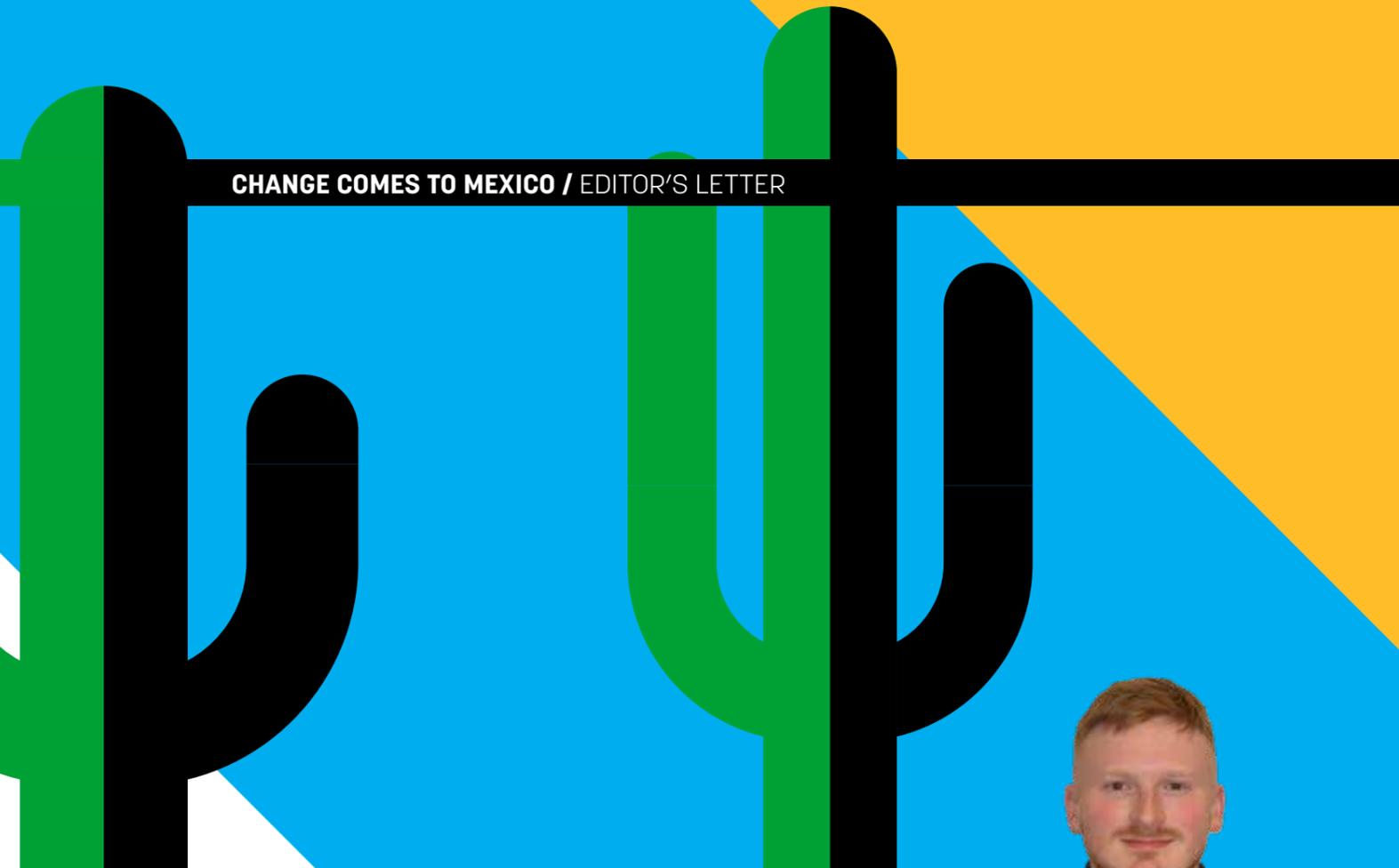
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## EDITOR'S LETTER

### Mexico on the verge of new era, though uncertainty lingers

**THESE ARE UNCERTAIN** times for the Mexican gambling sector, but it's a market that could soon cement its position as a LatAm frontrunner, provided the anticipated regulatory reforms are delivered with clarity and efficiency.

The 2026 World Cup, which Mexico will co-host, is fast approaching, and it appears unlikely the long-awaited reforms to modernise the country's regulatory framework will be in place by kick-off.

What does appear more imminent is a proposed rise in the gambling tax rate to 50%, a move that has sparked industry concern over the potential expansion of the black market.

But while Brazil has captured much of the discourse surrounding LatAm gambling of late, there's still a huge opportunity for Mexico to finally update its regulation and lay the foundations

for an even more competitive, transparent and sustainable industry.

This report chronicles the trajectory of Mexico's gambling sector and what's led it to this pivotal moment, while also examining what could lie ahead once the long-anticipated reforms take shape.

We've aimed to present a clear view of Mexico's gambling industry, highlighting the opportunities, challenges and personal realities of experts entrenched in the sector.

A sincere thank you to everybody who has helped put this together, in particular report author Frederick Dawson and our partners Gamingsoft, as well as Ed Birkin and the team at H2 Gambling Capital for their industry-leading data.

**Kyle Goldsmith, Clarion Gaming**

# Executive summary

*Significant potential in the Mexican market could be unlocked if long-awaited updates to its outdated gambling framework are passed. Timelines remain uncertain ahead of the 2026 FIFA World Cup, but reforms could position Mexico as one of LatAm's largest regulated markets*

## MEXICO'S GAMBLING SECTOR

is on the cusp of a breakout.

Expected reforms to decades-old gambling laws would formally legalise most online betting, combining with changing tech and demographic factors to push double-digit compound annual growth rates. However, the exact timeline and detail of the proposed revisions remain unclear, with other more pressing legislative prospects potentially pushing gambling reform further down the list.

Although Mexico co-hosts the 2026 FIFA World Cup, reforms may not arrive in time to influence the event, despite industry hopes.

Mexico's gambling sector is regulated in a similar way to many other jurisdictions in terms of taxation and advertising restrictions. Companies face an approximate 30% tax rate and standard restrictions on advertising.

Regulation is overseen by the Secretaría de la Gobernación's Dirección General de Juegos y Sorteos (Department of the Interior's General Directorate of Games and Lotteries or SEGOB).

SEGOB controls the 38 permits granted to gambling firms. All casinos and gaming halls must be run by one of those 38 firms, and all online operations must either be under their direct control or run through a partnership with a licence holder.

The market is dominated by local players such as Grupo Caliente alongside multi-nationals such as Codere Online and big-name outside firms like Bet365 operating through partnerships.

The consumer base trends towards younger males based in built-up areas. However, wider internet access and evolving game offerings are broadening participation.

Mexico has possibly the best mix of potential market ceiling and realistic chance of seeing potential achieved among its LatAm peers. Brazil is widely considered to have the biggest potential in the region. However, if Mexico's reforms are implemented in the way and time expected, it could more easily start to turn potential into reality than Brazil. At the

same time, its potential exceeds that of other nearby gambling markets such as Colombia, despite the latter's more developed regulatory framework.

But to take advantage of the potential of the Mexican market, interested firms must navigate complex local regulations, standards and customs. Consequently, companies looking to enter the Mexican market should consider utilising local knowledge to aid the transition.

## MARKET POTENTIAL

According to figures from H2 Gambling Capital, Mexico's gambling sector is forecast to hit MXN198.13 billion (\$10.8 billion) in GGR by 2030, having seen GGR cross the MXN100 billion barrier for the first time in 2024.

Growth is driven by online gaming and betting. Both categories jumped more than MXN10 billion from 2023 to 2024. Increases of more than MXN5 billion each year are expected for both categories going forward – resulting in a total predicted MXN69 billion online betting market

and MXN63 billion online gaming market in 2030.

Onshore gambling will be the main driver of growth in the Mexican market. Every onshore online category is predicted to grow. In particular, onshore sports betting is predicted to go from MXN22.56 billion in 2024 to MX63.3 billion in 2030. In comparison, offshore sports will only increase from MXN4.55 billion to MXN5.5 billion over the same period.

For land-based gaming, the future may lay outside casinos. H2 Gambling Capital predicts non-casino gaming machines to be the only land-based gaming category to grow through the remainder of the decade.

## REGULATORY SUMMARY AND PROJECTED GROWTH

Gambling is regulated by a system of laws that's around 80 years old and has had few updates in the intervening decades. However, a major revamp of the regulations is expected in the next year or so. When it comes, significant growth is expected.

This is because the new framework is expected to create rules for the online sector, removing varying interpretations and clarifying what will be legal going forward. This will likely transfer a significant amount of business from the grey market and allow for greater innovation.

However, it remains unclear whether current licensing and ownership rules will be changed. Current projections have onshore online business benefiting the most from the reforms, suggesting prohibitions on sole foreign possession of gambling licences will remain in place but significant amounts of online gambling activities will be formally legalised.

Offshore gambling is also projected to largely grow, suggesting current partnerships will continue to flourish - though not every category will see positive movement.

Land-based gambling is currently projected to lag behind online. This brings into question investment into tourism-related operations in the country.

# An overview of the Mexican gambling market

*Licensing and partnership requirements tie land-based and online gambling together while a long, positive history for the national lottery gives Mexico a solid interest in, and acceptance of, gambling*

**THE LONG HISTORY OF** gambling in Mexico has helped to form it into what it is today. Loteria Nacional, the country's national lottery, has a storied history stretching back centuries. Its positive perception has helped contribute to widespread acceptance of wagering. This has also led to a significant informal gambling market.

The country's long-unchanged regulations have carved a limited legal market – capped by limited licences and requirements that international companies partner with domestic licence holders. These limits have contributed to a significant grey market that an updated regulatory framework will look to address.

## **DEFINITION OF | GAMBLING SECTORS LAND-BASED CASINOS**

A type of gambling licence category which permits primarily live gaming and slot machines. It's defined as any open or closed place in which games involving betting or raffles are carried out with the correct legal permissions from SEGOB.

The licence is granted by the Department of the Interior, which is the entity with oversight of SEGOB, with gambling itself defined as any game in which there's a bet. Currently, 38 licences have been issued. Typically, they're limited to bingo, raffles and slot machines but not online gaming or live gaming (poker and roulette). Permit holders must request special authorisation from SEGOB for those activities.

While some games – such as live gaming, poker or roulette – aren't expressly legal, the Mexican government has authorised some permit holders to offer them in Mexico, according to the law firm Portilla Ruy-Diaz and Aguilar.

## **SPORTS BETTING (RETAIL AND ONLINE)**

Sports betting is defined as the placing of wagers on the odds-backed outcomes or events in certain specified activities. Acceptable activities are expressly outlined in Mexican regulations.

As described in Article 2 of the Gaming Law, these are "chess, draughts and other similar games;

dominoes; dice; blackjack; bowling; billiards; football; and, in all their variations and denominations, races involving people, cars and animals; as well as, in general, all kinds of sports". The final entry provides a catch-all for other sports that leaves the definition more open ended.

## **IGAMING / ONLINE CASINO**

Online gaming activities have no complete official definition or requirements under Mexican law. Existing permit holders may be authorised by the SEGOB to accept bets online, over the phone or electronically. Beyond that, most of the related regulation and decisions rest on the Bureau's criteria, according to Portilla Ruy-Diaz and Aguilar.

Only three articles in the regulations mention online gaming activities. However, the articles say casinos can take bets via the internet (also via the telephone or "electronically"). To do so, they must have an internal control system for transactions, including things like the measures required to avoid minor participation.

They must also have a defined set of procedures to stop manipulation of betting systems and ensure inviolability. Any online gambler must also be identified through a "number of registrations". This must include the bettor's account number, identity and the date, time transaction number, stake amount and requested selection of any bet. The Bureau must approve any mechanism for attracting bets.

## **LOTTERY**

A lottery is defined as an "activity in which the holders or owners of a ticket, by previously selecting a number, combination of numbers or any other symbol, obtain the right to participate, either free of charge or by paying, in a procedure previously stipulated and approved by the Secretariat, according to which a number, combination of numbers, symbol or symbols are randomly determined, generating one or more winners of a prize."

The definition is outlined in the same regulations – the Federal Law on Games and Raffles – and is also overseen by SEGOB, which

provides further details in its own rules. The National Lottery is governed by separate specific laws and regulations. This includes rules on how tickets must be issued, what they must contain and how the prizes are to be awarded.

## **INFORMAL GAMBLING (GREY MARKET)**

The Mexican regulations specify what would be considered informal or social gambling and exempts this from the rules. This is key for understanding what should fall under grey market classifications.

The Gaming Regulations exclude the following from the need for authorisation: games involving betting that are played without profit, in a private home for the sole purpose of fun or as an occasional pastime, and that aren't performed regularly, involving only people who are related, owners or residents of the place where they are carried out and who are admitted to them, according to Portilla Ruy-Diaz y Aguilar.

Informal gambling is primarily rural and encompasses multiple

# Significant increases predicted for Mexico's gambling market

games and events including cock fighting, rodeo-like events, various races, football pools, as well as bingo, dice and card games.

## HISTORICAL CONTEXT AND MARKET EVOLUTION

Mexico is the second-largest country in LatAm. The country ranks somewhere between the 12th to 15th largest economy in the world in terms of GDP, depending on what estimate is used. It consists of 32 states overseen by central federal legislation. Gambling laws can be interpreted and applied at the state level.

Despite ongoing conflict between government forces and drug cartels, Mexico has emerged as a regional power. However, wealth remains unevenly distributed.

Nonetheless, its diverse population, dynamic economy and rich history make it an enticing destination for many businesses – especially online casinos and sportsbooks.

But holding Mexico back from its potential is its regulatory framework. Regulations remain in desperate need of updating. Overall,

## MEXICO FACT BOX

- Population: 131,946,900 (2025 estimate)
- GDP per capita in Purchasing Power Parity and International Dollars: \$25,962.87 (2024 estimate)
- Internet penetration: 83% (2025 estimate)

the gambling sector in Mexico is still regulated by the Federal Gaming and Raffles Law of 1947. Regulations introduced in 2004 opened the door for slot machines, and a presidential decree in 2013 obliged them to either be produced in Mexico or imported legally. Laws from 2010 and 2011 regulated data protection, and the Law for the Prevention and Identification of Operations with Resources of Illegal Origin, outlining the anti-money laundering policy, was introduced in 2012.

Recent attempts have gone too far, leading to their reversal by Mexican courts, such as in 2024 when a federal judge overturned reforms by former President Andrés Manuel López Obrador.

Obrador aimed to effectively ban slot machines in land-based

casinos and limit licence durations. Other retail sports betting – such as at racetracks, greyhound tracks and online – would have been granted permission to operate for a maximum of 15 years, with Mexican firms forbidden from partnering with third parties.

The changes were deemed unconstitutional for disrupting established business practices. Prior to Obrador's efforts, there had been few attempts to reform gambling laws that had been in place for nearly 20 years. Of those, only one was successful. But even that was a decade prior to Obrador's proposals.

This means Mexico's gambling laws remain significantly outdated and largely based on just 17 articles, first published in 1947. For example, there are very few regulations addressing online betting technology.

*The introduction of formal regulation is expected to boost online gaming and betting, driving Mexico's gambling market to new heights*

**THE TOTAL MEXICAN** gaming market is expected to surpass MXN100 billion in GGR for the first time in 2024, driven by increases in online gaming and betting.

Both categories saw jumps of nearly MXN10 billion from 2023 to 2024 – an increase of MXN7.6 billion for online betting from (MXN20 billion to MXN27.6 billion) and MXN8.7 billion for online gaming (MXN17.1 billion to MXN25.8 billion).

Looking forward, the total for the combined market, which includes land-based betting, gaming and lottery as well as online betting, gaming and lottery, is expected to break the MXN200 billion mark by 2030. Much of this will again be fuelled by online growth, with the expected new Mexican regulations predicted to fuel significant increases in both online betting and gaming. Increases of more than MXN5 billion each year are expected for both categories – resulting in a total predicted MXN69 billion online betting market and MXN63 billion online gaming market in 2030, according to H2 Gambling Capital.

Other estimates are lower. Liliana

Costa, LatAm liaison for Clarion Gaming, predicts the online gambling market will reach \$970 million in 2025 before growing at a compound annual growth rate (CAGR) of 15.03% to reach \$1.96 billion by 2030. Astuta Analitica has a similar CAGR over a period to 2033 – 15.7% for the entire Mexican gambling market.

Land-based gaming will grow at a slower rate. But it is still expected to show robust upwards movement, growing by at least MXN2 billion a year from 2025-2030 to reach a total of MXN55 billion in terms of GGR.

This is despite a predicted dip in land-based casino gaming machines, predicted to fall from MXN4.97 billion to under MXN4.88 billion until 2030 when it will hit MXN4.9 billion. Casino table games are forecast to fall from MXN2.48 billion to under MXN2.45 billion throughout the period.

## ONLINE WILL DOMINATE

This suggests that the future of land-based gaming in Mexico may lie outside casinos. H2 predicts non-casino gaming machines to be the only land-based gaming category to grow over that period. That category

# The makings of the current regulatory landscape

is predicted to go from MXN32.2 billion to MXN46 billion by 2030.

Betting will continue to be dominated by online methods through to the end of the decade. The majority will go to onshore online betting rather than offshore sites. Onshore sports betting will see significant growth, H2 predicts, going from MXN22.56 billion in 2024 to MXN63.3 billion in 2030. Offshore sports betting will also increase, but only from MXN4.55 billion to MXN5.5 billion over the same period.

In fact, every onshore online category is predicted to see growth through the rest of the decade, according to H2. Onshore online casino slots will increase from MXN10.3 billion to MXN29.7 billion and live casino games from MXN4.2 billion to MXN15 billion in 2030.

Offshore is not so lucky. The majority of categories see growth – albeit from a lower base and at slower rates than onshore. But offshore poker is predicted to fall from MXN396 million to MXN223 million over the rest of the decade.

Overall, there is significant potential



**“WHILE LONG-AWAITED REGULATIONS HAVE YET TO ARRIVE, THE NUMBER OF OPERATORS OPTING TO GO THE LEGAL ROUTE IS STEADILY INCREASING”**

**Alfredo Lazcano, Lazcano Sámano**

for reforms to divert further revenue from grey/black market streams into legitimate business channels. Alfredo Lazcano, chair of the law firm Lazcano Sámano, estimates that illicit gambling generates eight times the amount generated by the regulated and taxed sector. But, he says, “The number of operators opting to go the legal route is steadily increasing.”

If that was to be the case, the contribution of gambling to Mexico's GDP would also see a significant increase. According to 2024 numbers from the National Statistical Directory of Economic Units (DENUE), casinos, lotteries and other games of chance registered 5,355 economic units. The states

with the highest number of economic units were Mexico City (577), Yucatán (483) and Jalisco (403), showing where gambling could be the strongest in the country.

Separately, the Mexican lottery market remains strong. One estimate has it forecast to grow by \$5.53 billion from 2024-2029 at a CAGR of 11.6%. Another, by Grand View Research, has a lower CAGR of 4.2%, which will lead to revenue increasing from \$10 billion in 2024 to \$12.9 billion in 2030. This appears to more closely match H2's growth number for the lottery as well, which has combined lottery sales (including sports, draw, numbers and instant) at MXN18 billion for 2024 – rising to a predicted MXN23.4 billion in 2030.

*Permits are central to Mexico's gambling market and will likely remain so under the new regulations. But who is affected, who issues them, and how does the process work?*

## THE CURRENT MEXICAN

regulatory framework permits land-based betting and casino games. Online betting and games aren't specifically approved but are considered to be legal based on some more general clauses related to remote access. Permits to allow such activity are granted by federal regulators that form part of the Ministry of the Interior. To maintain their permits, companies must adhere to certain auditing, reporting, best practice and revenue payment conditions.

## LEGAL STATUS BY CATEGORY

The simplest category to determine legal status of is that of those involved with land-based activities. Land-based betting is clearly legal under current Mexican gambling status. A federal permit is issued by SEGOB. Only 38 licences have been granted.

Land-based casino activities are similarly controlled. Casinos are regulated across Mexico at the federal level – though lower jurisdictions such as states or local entities can add further

stipulations. Casinos, slot machine establishments and sports betting are subject to local licensing and must be run by one of the companies holding one of the 38 federal licences. All licence holders are subject to a 30% income tax.

For online activities, things get slightly more complicated. Under current regulations, online betting is legal through interpretation without explicitly being legalised. Current outdated regulations were developed before online gambling was a concern.

A limited number of clauses related to remote placement of bets have been interpreted as allowing online betting. All online betting must be run by a land-based licence holder or partner. Interpretations can vary from state to state. For example, some may only allow gambling under licence in cases when offline casinos accept online bets.

Similarly, online casino activities are legal but are limited to those companies holding a federal permit for land-based betting or ones that have partnered with them. The total

number of permitted partners is limited by the number of domain links issued to each permit holder, decided at the time the licence was negotiated and only licence holders can be granted legal domains for such activities.

B2B suppliers don't require a licence in order to operate. However, they must disclose the identities of shareholders and other beneficiaries.

Several other categories remain in something of a grey area. For poker, there is no standalone law in Mexico. Fantasy sports remain completely unregulated. Live card games are permitted in casinos if licence holders request and are granted permission. For online games, the situation is even cloudier. It's interpreted to be legal through clauses related to games of chance but like all other online gambling activity, there is no explicit regulation.

Outside of gaming and betting activity, lotteries are permitted but are a state-operated monopoly. Private operators cannot run

lotteries for profit individually but can partner with legal operations to provide games. Other activities such as raffles and numbers games like bingo are officially regulated for both online and offline operation but can be run outside the permit system.

#### **KEY REGULATORY AND INDUSTRY BODIES**

SEGOB is the federal authority tasked with oversight of gambling under the Federal Law of Games and Draws. This includes administration and sanctioning procedures.

It ensures compliance with the law as well as authorising and supervising betting and raffles in order to provide legal certainty to the public. This includes maintaining oversight of technological and sectorial developments.

All gambling activities must have explicit authorisation from SEGOB to be held legally. SEGOB issues, modifies and finalises permits which are tied to a specific establishment and cannot cover multiple venues. Permits are also non-transferable

and cannot be mortgaged, assigned or sold in any form.

The Centre for User Service manages application procedures. There are specific requirements for applicants depending on the type of gambling event. For example, raffles, games and temporary betting venues all have different application requirements.

SEGOB carries out inspections through its Inspection and Surveillance Unit, which monitors official raffles as well as ones used for fundraising purposes on top of gambling venues. Enforcement action can be taken on any venue operating gambling games without authorisation and also enforces things like location restrictions.

Within SEGOB and the Department of the Interior is the General Directorate of Gaming and Raffles (DGJS). The DGJS is the specific designated federal authority responsible for overseeing gambling in Mexico. It manages all related administrative and sanctioning procedures, including

the issuance, modification, and termination of permits for all forms of betting and raffles. The DGJS is the directorate that actively warns the public about fraudulent raffle schemes.

Several other bodies hold influence in the sector and will likely take some part in shaping how permits and the licensing system works under the upcoming revised regulatory framework. For instance, La Asociación de Permisarios y Proveedores de la Industria del Entretenimiento y Juegos de Apuesta en México (AIEJA) – the Mexico gaming association.

An advocacy association for the industry, AIEJA plays a role in the regulation of the sector by highlighting the still significant black market that operates outside of legal oversight and advocating for the parts of the sector that are compliant. It lobbies for things like legislative modernisation to bring Mexico's gambling laws on a par with the reality of a hyper-connected world as well as a unified, simplified

tax code through collaborations with SEGOB.

A second group, The Asociación de Permisarios de Juegos y Sorteos (APJSAC), is another industry body representing licence holders. It too campaigns for greater enforcement on illicit online gambling and has called for legal inconsistencies in licensing to be resolved. It's also involved in the advocacy for modern reforms to Mexico's federal gambling laws.

#### **THE CURRENT LICENSING AND PERMIT STRUCTURE**

SEGOB currently only grants permits to a limited number of companies known as 'permisionarios'. These permits authorise companies to operate gaming establishments or online platforms, under conditions defined in the permit.

As of November 2025, there are only around 38 permit holders in Mexico. Permits are non-transferable between entities, though permit holders can enter partnerships with third parties (including operators, suppliers and technology

providers), who must also be approved by SEGOB.

For land-based activities, the permisionario authorises a company to operate a specific number of gaming venues – including casinos and gaming halls. The agreement defines the venue types, their permitted locations, and which games may be offered (for example, whether live card games, slot machines or sports betting are allowed).

All machines permitted must separately be certified and approved. Regardless of permissions, each venue requires SEGOB approval before opening. Permit conditions may also include requirements such as contributions to social programmes or adherence to transparency initiatives.

Operators must ensure game fairness, prevent underage gambling and implement responsible gaming measures, including warning displays and player self-exclusion options.

The permisionario also establishes online authorisations,

despite online gambling not being specifically mentioned in legislation. Online operations must be run or partnered through a licensed permisionario Foreign brands cannot directly obtain Mexican licences but must “piggyback” on local permit holders.

Other areas of gambling may not need a licence to operate. The Lotería Nacional (National Lottery) is a state monopoly. It’s governed by its own law and operates separately from SEGOB’s permit structure. Other raffles and promotional draws require a specific SEGOB authorisation but not a permit.

For activities requiring a licence, permits are typically granted for up to 25 years, though SEGOB can set different terms. Renewals require compliance audits, proof of tax payments and adherence to responsible gaming standards.

Operators must submit financial information and ensure accurate payment of all applicable local and federal taxes and fees.

They must also ensure regular financial and tax reports are filed to SEGOB and Mexico’s tax authority,

the Servicio de Administración Tributaria (SAT). They must also implement responsible gaming measures and prevent money laundering.

Gambling is a “designated activity” under Mexico’s Federal AML Law – Ley Federal para la Prevención e Identificación de Operaciones con Recursos de Procedencia Ilícita (LFPIORPI).

**Under this law, companies are obligated to:**

- Include customer identification keys above certain thresholds
- Report suspicious transactions to the Financial Intelligence Unit, Unidad de Inteligencia Financiera (UIF)
- Report transactions above a specific threshold that varies depending on the activity involved. The threshold averages around \$3,000.

If obligations aren’t met, SEGOB can inspect and determine violations, and may issue fines, suspend operations or even revoke permits.

**CURRENT TAXATION AND COMPLIANCE REQUIREMENTS**

To maintain a permit, companies must meet all compliance and duty obligations, including ensuring all local and federal taxes and fees are paid on time.

Federally, gambling companies face income tax – Impuesto Sobre la Renta (ISR). This is a standard corporate income tax of 30% on net profits. They’re also subject to VAT – the Impuesto al Valor Agregad (IVA) – with services generally subject to a 16% rate. This is applied to player stakes (bets placed) rather than operator winnings but must still be factored into company thinking given it could affect how much gamblers choose to bet.

There is also a special gambling excise tax, the Impuesto Especial sobre Producción y Servicios (IEPS). IEPS is applied to bets, raffles and lotteries. The current rate is 30% of the player’s wager – though some exceptions apply such as for the Loteria Nacional which has its own set of rules.

Companies are also subject to various local, municipal and state

taxes, including entertainment taxes and other fees or levies for rights or licences. Rates and mechanisms vary by state and location.

Payouts to players (especially jackpots) are subject to withholding taxes, generally 1-7% depending on the type of game. Foreign suppliers or affiliates may also face withholding taxes on royalties, service fees or cross-border revenue.

**OVERVIEW OF ADVERTISING RULES AND RESTRICTIONS**

As with taxation, companies must comply with Mexico’s advertising restrictions for casino and online gambling to meet licensing requirements. Only operators with a valid SEGOB licence may advertise.

Beyond this, any campaign must be pre-approved by SEGOB’s Dirección General de Juegos y Sorteos (DGJS). Ads must include the permit number and name of the authorised operator.

They must avoid misleading claims, such as guaranteeing wins or downplaying risks, and cannot glamorise gambling, normalise

excessive play or suggest it as a way to earn a living.

They must follow a variety of other requirements such as including responsible gambling disclaimers like: “Juega responsablemente” (play responsibly) as well as age restrictions (18+) and statements on the exclusion of minors.

More broadly, campaigns must not be considered to be targeted at vulnerable groups such as children or addicts. Adverts are prohibited in areas where they may be a large number of viewers below the minimum legal age. This includes in children-oriented programming on TV, before 10pm on TV and radio, and near schools, sporting activities primarily for minors or any other environment where under-18s may be the primary audience.

Additional local or state rules may restrict geographic locations for outdoor advertising. Gambling companies should consult local authorities for details.

Outside advertising in media, sport sponsorship is permitted but must comply with general restrictions. This can include

sponsorship of teams, stadiums and events.

Many popular Mexican sports entities are sponsored by gambling firms, but the practice is under scrutiny and may face new rules in upcoming legal reforms.

Online ads are permitted but in all cases must still display permit details, exclude minors and include responsible gaming warnings. Social media advertising is monitored, with restrictions on influencer endorsements that glamorise gambling or target under-18s.

The DGJS and SEGOB can sanction violators with fines, campaign suspensions, or permit revocation. Fines are typically the first measure, while repeated violations may lead to loss of advertising rights or the gambling permit.

Outside those regulators, the Office of the Federal Prosecutor for the Consumer helps to ensure compliance by monitoring for misleading advertising. The Federal Telecommunications Institute also helps to ensure compliance on broadcast channels.

# Optimism abounds despite unclear reforms

*Changes are coming to current regulations – the trouble is no one is quite sure when that will happen or what it will entail*

**THE LONG-AWAITED** update to Mexico's gambling laws hasn't yet disclosed specific details or a timeframe.

So far, the consensus is the bill will create a new regulatory framework, particularly establishing a purpose-built online gambling charter.

Details remain scarce, including whether a new online-specific licensing system will be created or if the current model linking land-based permissionarios to online domains will continue.

**TAX RAID MOOTED**

One proposal is to raise the tax rate on gambling companies to 50% from the current level of around 32% (30% plus a mandatory regulatory levy of 1-2% depending on what was negotiated at the time the licence was agreed).

The reform's timeframe is unclear, though proposals are expected to be delivered before year-end. This would be a major step, offering the industry much-needed clarity on future regulations.

However, even after that is all presented, the amount of time it

will take to convert the proposals into regulation in force remains unclear.

The hope is a new framework could be in place before the start of the 2026 FIFA World Cup which Mexico is co-hosting. The World Cup is expected to boost the Mexican gambling sector, and operators hope for regulatory clarity and the ability to innovate before it begins.

There is still a possibility this could happen. However, time is growing short – particularly if there needs to be any time set aside for consultations or setting in periods.

There is also a thought that the gambling sector is operating fine in Mexico and if it's not broken, don't try to fix it. This is particularly true given the range of other concerns facing the government. There is a high chance gambling reform gets pushed down the list of legislative priorities in favour or more pressing or threatening concerns. In such a case, it's unclear just when reforms would be passed – though the expectation is that it would still be somewhere in the next few years.

# Select few dominate Mexican market

RANKING	ONLINE	LAND-BASED	LOTTERY
1st	<p><b>Grupo Caliente</b> Caliente has around 40% of the online market, according to Astute Analytica. It's relied on partnerships as part of its key growth strategy. For example, it signed a three-year partnership with Saudi Arabian-backed LIV Golf in February 2024, making it the official sports gaming partner for LIV Golf's Mayakoba tournament in Mexico. The tournament was subsequently moved for 2025 and rebranded to LIV Golf Mexico City.</p>	<p><b>Grupo Caliente</b> Caliente is thought to have a high share of the land-based casino market, with extensive dominance in many lucrative areas such as border states and tourist zones. It's recently expanded its consumer base and strategic footprint through targeted investments. It enjoys high brand awareness due to its significant presence both online and as part of the country's land-based casino set up. Several surveys put awareness at north of 65%.</p>	<p><b>Lotería Nacional</b> The state-run lottery is responsible for organising and conducting games and draws across Mexico. A report from Grand View Research said the Mexican lottery market generated \$10 billion in revenue in 2024 and is growing at a steady 4.2% CAGR to reach a forecasted revenue of \$12.9 billion in 2030.</p>
2nd	<p><b>Codere Online</b> Mexico became the biggest online market in 2023 for this multinational gaming outfit. The company offers over 900 games online, providing both mobile and desktop platform services. It saw a 59.9% increase in revenue for Mexico in 2023 (hitting €81.7 million) to reach €171.9 million total across the group's markets. This then increased to €106.6 million for Mexico in 2024, a 30.5% increase on the previous year. The company said it saw an average of 64,000 monthly active players in Mexico during FY2024, a 23% increase over the monthly average for 2023.</p>	<p><b>Big Bola Casinos</b> Big Bola operates around 20 casinos across various Mexican states. It has signed several partnerships, including with gaming technology company Ainsworth to provide its full portfolio of games simultaneously at casinos and through its online platform. It also signed a deal with Aristocrat Interactive to improve its land-based sports betting options through the addition of a new platform, betting kiosks and retail sports betting solutions. Big Bola offers hybrid models, pairing casinos with other attractions such as restaurants.</p>	<p><b>Aganar (Lottery.com)</b> Part of SEGG Media, Aganar operates lottery.com in Mexico to sell lottery draw games offered by Loteria Nacional. It's been in operation since 2007 and underwent a relaunch in August 2025. It's projected to generate \$5.2 million in revenue with a continued growth trajectory of 18% per annum.</p>

RANKING	ONLINE	LAND-BASED	LOTTERY
3rd	<p><b>Bet365</b> Bet365 is an international brand with strong recognition in multiple markets. In Mexico it partners with Caliente, meaning the same partnership controls two of the top online market spots. Exact market share is unclear. However, it was the second highest rank for Mexican betting apps downloads between December 2024 and February 2025. Countering that, a traffic checker rates it only third in terms of total number of unique visitors to Mexican gambling websites, behind Caliente.mx and Playdoit.mx.</p>	<p><b>PlayCity Casino</b> Televisa's PlayCity represents one of the larger chains in Mexico, with extensive land-based operations spread across 11 states in Mexico in addition to its online platform. It recently signed a partnership with Zitro to expand its game catalogue by adding over 100 machines.</p>	<p><b>IGT (International Game Technology)</b> IGT now operates under the name Brightstar Lottery having divested itself of its gaming operations to focus solely on the lottery sector. It provides technology partner services for Mexico's state-run lotteries.</p>
OTHERS	<p><b>PlayDolt</b> The online brand of Atracciones América often rates as the second most popular online betting site in Mexico. It does not appear to have any land-based activities. The company appears to be entirely domestically based, marking a change from many of the other online leaders which are partnerships between international and local permit holders or the online arms of permits holders with large-scale operations that span international borders.</p> <p><b>Novibet</b> Novibet is a multinational entrant in the Mexican market that is attempting to use partnerships to grow brand recognition. For example, it signed a partnership earlier this year with Mexican football club, Cruz Azul – following a strategy it previously executed in other markets. Similarly it partnered with FBMDs, an iGaming content supplier, last year to increase its offering of online casino games in Mexico.</p> <p><b>PlayCity</b> PlayCity is the brand from licence holder Televisa, a major Mexican telecommunications and broadcasting company. It partnered with Konami Gaming earlier this year to create a real-money online slots offering.</p> <p><b>Other important companies include SuperGroup and BetMexico</b></p>	<p><b>Codere</b> The firm maintains a significant range of casinos under various brands in Mexico with 76 gaming halls across the country, including casinos in strategic locations for major cities. Earlier this year the company says it saw on average 83,300 active monthly players across its Mexican online and casino operations. This contributed to it posting net gaming revenue of €68.8 million for H1 2025, a 9% increase compared to H1 2024.</p>	

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# Gaming shifting away from young male dominance

*Gambling is largely accepted in the country thanks to the positive perception of the nation's lottery, though worries about problem gambling remain. Overall, technology and societal changes are increasing access, gradually expanding gambling demographics beyond the country's young male cohort*

**GAMBLING IN MEXICO** is well accepted in society and growing but currently trends young, male and urban. Changes in society and technology are bringing about their own shifts in those demographics, however, with greater participation in the licensed market expected from women, rural and older consumers. Greater internet access is attracting non-city dwellers, while a broader range of games and shifting cultural perceptions are diversifying the gambling population.

Currently 73.5% of betting and gambling enthusiasts are aged 18-24 and 54.4% are male, according to a 2024 survey by Start.io. More than 40% of gambling activity is in Central Mexico – Mexico City and surrounds, according to Mordor Intelligence – showing the urban bias among Mexican users.

**PUBLIC ATTITUDES**

But gambling is well established throughout the country and all demographic cohorts. Mexicans have a “somewhat positive” attitude towards gambling, according to recent research undertaken by

National Autonomous University of Mexico (UNAM), the Institute of Legal Research of the UNAM and the gambling firm Codere Mexico. Over half disagreed with the statement “gambling is a sin”. However, with gambling addiction affecting 2.3% of Mexican adults – twice the world average – it contributes to something of a moral stigma around it, according to Carlos Portilla Robertson, partner at the law firm Portilla, Ruy-Diaz and Aguilar.

The favourable attitude towards gambling could be attributed to the long, positive history of the national lottery in Mexico. Not only has the Lottery been in existence in some form since 1770 (as the Royal General Lottery of New Spain), it has a long association with charitable causes. It remains the most popular form of licensed gambling among rural and older Mexican consumers.

“The Loteria is very famous here. They’ve translated that into online and people love it,” says Ana Paula Pinto, general manager at Mexican gaming company Kingsbet. “There’s an ongoing joke here in Mexico that when your mum sends you to

the store to get something and you get the change, you spend it in the Loteria machines in the store to play.”

However, lottery participation has been overtaken by other forms of gambling. Around 40% of adults participate in gambling or sports betting – theoretically working out to 17.64 million Mexican adults engaged in such activities, according to a 2024 report from TGM Research. The company added that sports betting through online or app is now the most popular betting activity in Mexico with lottery or games of chance second and online slots third. Notably, lottery/games of chance skew slightly female and older.

Other sources agree. For example, Mordor Intelligence has sports betting as the majority of gambling activity, with 56.41% market share in 2024 and the fastest predicted growth rate of 17.82% CAGR through to 2030. This is driven by Mexico’s love of football and the expected impact that will have when combined with the country co-hosting the FIFA 2026 World Cup. Mordor Intelligence also notes that bingo, while the smallest individual segment in



**“THE LOTERIA IS VERY FAMOUS HERE. THEY’VE TRANSLATED THAT INTO ONLINE AND PEOPLE LOVE IT”**

**Ana Paula Pinto, Kingsbet**

its assessment, is growing as it’s undergoing a resurgence driven by social-play features and charitable initiatives that resonate with older demographics.

As evidence of the potential for sports betting related activities for the 2026 World Cup, in 2023, \$2.1 billion was bet on the Liga MX Apertura Tournament with an 18% increase during the most important matches while more than 200,000 users or supporters of the Mexican Liga team Tigres UANL joined digital platform Soare’s fantasy league in a six-month period, according to marketing intelligence company, Astuta Analitica.

“While sports betting forms the bulk of the gambling market, a number of other games of chance are popular throughout the country.

Bingo, for example, is as popular in Mexico as it is in the US, often played to raise charity funds or for recreational purposes, and lotteries have consistent appeal,” notes Astuta Analitica. “Casino games, including online platforms, are widely played as well. In addition to slots and other casino games, card games such as Caribbean Poker, Texas Hold’em, and Stud Poker are popular.”

As the Mexican market matures, non-football gambling attractions will gain importance, with slot machines, card games and table games likely to grow in popularity.

**DEMOGRAPHIC DATA**

Meanwhile betting on the Ultimate Fighting Championship (UFC), National Football League (NFL) and National Basketball Association

# Mobile adoption fuels Mexico gambling boom

(NBA) are likely to increase within the sports betting category, according to Pinto.

The spectrum of games and activities available will also be driven by other demographic factors. For example, older players dominate land-based casino games, with two-thirds of those physically going to casinos aged over 40. In contrast, younger players favour mobile-friendly online games, according to Mordor Intelligence. Consumers aged 25-40 commanded 49.44% of the Mexico online gambling market share in 2024, while the under-25 cohort is predicted to expand at a CAGR of 16.73% until 2030, the intelligence company added.

Geography and economics will play a factor too. Chiapas in the south of the country is a strong alternative tourism destination but casinos there will have significantly more machines as these are more affordable and appeal to lower income gamblers. The region tends to have lower salaries than Mexico City or the north and casinos have modified offerings to match, says Pinto.

Overall, gambling skews toward

urban, northern and tourist areas. While rural internet campaigns are increasing access, licensed betting and gaming remain largely concentrated in built-up areas.

Informal gambling, including lottery and bingo, dominates rural wagering, a common trend across LatAm. As internet penetration grows, Mexico is expected to shift gradually toward licensed avenues, though informal betting remains significant. It came fourth in TGM Research's survey of most popular Mexican betting activities engaged in over the past 12 months.

In terms of built-up areas, states such as Chihuahua, Nuevo León, Sonora, Coahuila and Baja California tend to lead the way outside of Mexico City and its surrounds. This is due to border states in the north tending to have higher average discretionary spending power plus continued activity from tourism and business coming through the Mexico-US trade corridor.

For example, Central Mexico had about 41% of the online gambling market in 2024 while north central Mexico is showing the fastest growth

rate with a forecast of 16.19%, according to Mordor Intelligence.

This is expected to lead to a significant overall increase in gambling. H2 Gambling Capital predicts the average spend per person will almost double from 2023 (the last non-estimated year) to 2030. Similarly, overall betting appears to be increasing in frequency with more people saying they bet the same or more in the last year compared to the 12 months prior, or that they had bet for the first time in the past 12 months, according to TGM Research.

Overall, men will continue to account for most gambling, historically showing higher participation and problem-gambling rates than women. Recent studies indicate the gender gap is narrowing, especially among younger cohorts.

However, gambling remains predominantly a middle- to higher-income bracket pastime in Mexico, which is not unsurprising given the need for discretionary cash. As a result, gambling also tends to skew toward individuals with higher education, who generally have greater earning power.

*Companies have raced to offer Mexican consumers more digital and mobile games, activities and payment solutions. However, unclear regulations and limited domestic experience have been both a help and a hindrance*

**THE MEXICAN GAMING** sector is looking to take advantage of the meteoric rise of mobile interest access in Mexico.

Rural connectivity programmes are improving internet access outside urban areas, but mobile technology adoption is far outpacing this, and the gambling sector is poised to benefit.

According to the National Institute of Statistics and Geography, 97.1% of Mexican internet users accessed the internet through smartphones in 2023. Already the majority of betting on sports in Mexico now takes place via the internet or mobile applications as opposed to in person at a sportsbook or casino, according to TGM Research.

Mobile gambling revenue is expected to have reached \$1.4 billion in 2024, according

to Astuta Analitica, driven by 82% smartphone use and affordable data plans in the country. Younger users tend to dominate the sector, accounting for 71% of the mobile gambling market. The overall online gaming market is valued at approximately \$3.5 billion, according to Carlos Portilla Robertson, partner at the law firm Portilla, Ruy-Diaz and Aguilar.

Casinos are rapidly partnering with content and platform providers. For example, Novibet partnered with iGaming supplier FBMS last year to expand its online casino offering, while PlayCity teamed with Konami Gaming earlier this year to launch real-money online slots.

BigBola Casinos demonstrated the convergence of land-based



**"MEXICO'S OUTDATED GAMBLING LAWS HAVE BEEN BOTH A HELP AND A HINDRANCE"**

**Carlos Portilla Robertson,  
Ruy-Diaz and Aguilar**

and digital offerings through its recent partnership with gaming technology company Ainsworth, which will provide its full game portfolio both in casinos and online.

Elsewhere, Codere partnered with Blip, an AI-based conversational platform, to implement an AI-powered chatbot offering enhanced features and functionality.

#### IMPROVING UX

Voice-activated instructions and virtual assistants for placing bets are becoming a widespread trend in the Mexican sector, with companies looking to improve user experience, says Liliana Costa, LatAm liaison for Clarion Gaming.

"Mobile platforms mainly attract casual gamers, and technological advancements have improved the gaming experience," Astuta Analitica, adds. "Mobile gambling allows users to engage in gambling activities anytime, anywhere. The availability of instant play options allows users to access games directly through web browsers without the need to download apps."

Mexican gambling operators are also focusing on non-mobile technology, emphasising desktop and laptop access for their larger screens.

"These devices not only enhance the online gaming experience but also drive many online gambling platforms to prioritise research and development, ensuring users benefit from a seamless and visually appealing interface," says Costa. "Additionally, a desktop site can also be easier to use if the user focuses on many sportsbook stats and gambling-related statistics as it has a bigger display."

This has led to its own array of partnerships. For instance, in September 2022, Betsson launched its online gaming offering at Betsson.mx for the locally regulated market in Mexico. Betsson's subsidiary developed a robust

desktop platform featuring its proprietary sportsbook, a wide casino game portfolio, and innovative features to deliver a competitive gaming experience. Such factors are further expected to attract an audience towards desktop gaming owing to its convenient experience, says Costa.

There has also been an increasing number of deals signed to provide desktop-oriented games. In April 2024, Stakelogic entered into a long-term partnership with PlayUzu, a Mexican casino operator. Through this collaboration, PlayUzu users gained access to a selection of Stakelogic's classic-themed slots and titles, including games like Wild Hogs, Pigeon Hut, and Tiki Tiki's Hold 'n' Win.

Similarly several companies have started to look at VR platforms for poker rooms and casinos. This

**"MOBILE GAMBLING ALLOWS USERS TO ENGAGE IN GAMBLING ACTIVITIES ANYTIME, ANYWHERE"**

**Astuta Analitica**

**"HERE IN MEXICO, WE DON'T HAVE A LOT OF LOCAL PROVIDERS OF PLATFORMS AND GAMES AND THINGS. THE MAJORITY OF THE TIME, WE NEED TO HAVE FOREIGNERS TO GIVE THOSE SERVICES"**

**Ana Paula Pinto, Kingsbet**

includes Bet365, Betway and Rush Street Interactive.

Mexico's outdated gambling laws have been both a help and a hindrance to all this. Because regulatory updates have lagged, operators have increasingly turned to online platforms, driven by the growth of smartphones and tablets – in particular among younger demographics, says Portilla.

However, the outdated laws and the wait for an updated framework have also limited the availability of content providers and platform technologies. "Here in Mexico, we don't have a lot of local providers of platforms and games and things," says Ana Paula Pinto of Kingsbet. "The majority of the time, we need to have foreigners to give those services."

#### PARTNERSHIPS ON THE UP

Foreign ownership of gambling licences is prohibited in Mexico, and domestic providers have a limited number of internet domains per licence. This restricts foreign partnerships, so domestic licence holders must carefully consider their content and platform collaborations.

Despite limitations on content and platform offerings, companies continue to form partnerships to enhance underlying technology, particularly adopting new digital payment systems and broader financial infrastructure.

This has included the acceptance of digital payment systems such as SPEI and CoDi. These services make it easier to participate in online gambling by enabling

faster, more secure deposits and withdrawals, says Portilla. SPEI provides an advantage for Mexico that is not necessarily seen in many competitor countries in the region, agrees Pinto.

"The increasing acceptance of virtual currency by sellers contributes significantly to the growth of the industry. The growing use of smartphones and tablets in Mexico, coupled with increasing internet accessibility, has prompted operators to focus on mobile platforms to expand their reach," says Costa. "Furthermore, the diversification of payment method options has led platforms to concentrate on providing desktop applications, enriched with advanced features, to draw in a broader and more loyal audience."

# Opportunities for the Mexican gambling sector

*Revisions to Mexico's outdated gaming laws offer the country a chance to capitalise on growing gambling interest. But will it seize the opportunity or remain cautious?*

**FOR MEXICO'S GAMBLING** sector, the next couple of years will really give the phrase 'interesting times' a good run out.

Major regulatory changes are planned as the country seeks to reform laws largely unchanged for nearly 80 years. The exact timing remains unclear due to other legislative priorities.

It also remains ambiguous what the new regulatory regime will include once the legislation is updated. This is a cause of consternation among players in the Mexican gambling sector. Overall, most believe updates to Mexico's gambling laws will be beneficial, expanding gaming options, creating a clear online framework, and reducing grey/black market activity.

Far and away the biggest potential opportunity to come from the reworking of gambling regulations in the country is the chance to create a fair framework – in fact any sort of framework – for online gambling. Currently, Mexican regulators interpret the few 80-year-old provisions on

remote betting to mean online gambling is permitted.

However, given online betting is only regulated through indirect interpretation of three clauses across the regulations, it is – unsurprisingly – widely left to individual interpretation, and this has created a confusing morass with various interpretations applicable only to individual states or, in some cases, individual casino licence holders.

## **AMPARO RULINGS**

The latter is not an unusual situation in Mexico where "amparos" are a common result of judicial procedures. Amparos are judicial actions to protect individual entities issued by court cases as judgments on litigation of legislative actions or omissions that violate Mexican constitutional guarantees.

Individual amparos only apply to the individual litigant. However, if five consecutive amparo rulings with consistent reasoning from the same authorities are issued, it can establish a binding precedent that would then apply to all similar

cases and be binding on all lower courts.

This hasn't yet happened for disputes in the gambling sector meaning multiple licensees have their own individual amparo ruling. A fresh slate with comprehensive and clear regulations would help growth in a sector that could reach MXN200 billion by 2030.

A key potential reform for online gambling is the creation of a separate online licensing scheme. Currently, online licences are tied to land-based licences, so the 38 land-based licence holders must be involved. Each holder can partner with others and has a negotiated number of links per licence.

Each licence holder can use a partnership link but is limited to the total number allowed by their licence, according to Ana Paula Pinto of Kingsbet.

"Say my company had been granted two links with its licence – kingsbet.com.mx and kingsbet.mx. It could theoretically change the name of one of them and give it to a partner," she says. "But that's the limit. That would mean there is



**"BY PROVIDING LEGAL CERTAINTY IN ACCORDANCE WITH OUR CURRENT NEEDS, IT WILL ALLOW MEXICO TO POSITION ITSELF AS A COMPREHENSIVE TOURIST DESTINATION WITH BETTING SERVICES WITH THE BEST LEVEL THAT WE SEE GLOBALLY"**

**Miguel Ángel Ochoa Sánchez, AIEJA**

only one other link I could operate. Theoretically if you have 50, you can operate 50."

However, this is unlikely, as most licence holders appear to have only a limited number of authorised links under their licence agreements.

"If you have a valid licence you can go to the government and ask for more new links," Pinto adds. "It's kind of a complicated process. But you have a lot more opportunity for success than going from zero to having the licence and having an authorised link."

## **OPPORTUNITIES ABOUND**

Altogether there are approximately 100 online gambling authorisations divided among the 38 licence holders, according to Carlos Portilla Robertson, partner at the law firm Portilla, Ruy-Díaz and Aguilar.

Reforms to online gambling regulations and licensing will likely increase this number, creating significant opportunities.

Other areas will also need to adapt, creating opportunities in related sectors. For instance, increased online gaming in Mexico will demand

stronger payment infrastructure and enhanced online security.

As it stands, the few clauses dealing with online gambling (really betting remotely or over the phone) in Mexico's regulations outline minimum security requirements for companies. This includes having an internal control system for transactions, involving things like measures necessary to avoid minor participation.

They must also have a defined set of procedures to stop manipulation of betting systems and ensure inviolability. Any participant of online gambling must also be identified through a "number of registrations". This must include, at a minimum, the bettor's account number and identity; the date and time transaction number; and the stake and requested selection of any bet.

However, future regulations will almost certainly include further minimum security requirements. This will be a major opportunity for foreign service providers, according to Pinto. This could include areas such as financial service provision to casinos. Growth in online

gambling has already created a need for companies to handle online transactions and protect companies from things like charge backs, fraud and malicious attacks, she explains.

A significant share of online gambling games and services already comes from foreign providers. With these providers ahead in the field, Mexican firms leveraged international partnerships rather than reinventing the wheel.

Going forward things like the adoption of biometric verification, real-time analytics, and AI-based monitoring tools are likely to feature more heavily in the Mexican gambling sector as companies look for ways to enhance responsible gaming measures and anti-money-laundering (AML) compliance, according to Portilla.

"These advances have positioned technology as both the catalyst for market expansion and the foundation for future regulatory alignment," he says.

He notes a lack of age-control measures in Mexico. New regulations will likely require

companies to implement robust filters and age-verification systems to prevent underage access.

This will also likely carry over into any marketing or advertising permitted under the new regulatory regime. As it stands, any mechanism for attracting bets must also be approved by the Bureau. Going forward, companies will need to target and filter marketing to attract new online users while avoiding underage audiences.

#### **MOBILE PENETRATION ON THE RISE**

Mexico's online gambling user base is likely to grow rapidly, with around 100 million internet users currently in the country.

According to the National Institute of Statistics and Geography, Mexico registered 97.2 million mobile phone users in 2023, the majority of which would presumably allow interest access. Increasing simplicity of digital payments means more of those gaining regular access to online services can also more easily participate in the online gambling sector.

This includes Mexico-specific solutions such as SPEI and CoDi, which have facilitated participation, allowing faster, more secure deposits and withdrawals, said Portilla. SPEI provides an advantage for Mexico that is not necessarily seen in many competitor countries in the region, agrees Pinto.

Overall there are numerous technological payments services available for those that have cards. For those that are cash-based, Mexico again provisions well. Numerous payment methods will accept cash deposits to partners such as the Oxxo convenience store chain, which has a massive presence in the country, being found seemingly on every other street block, she says. These deposits will then rapidly be credited to digital wallets all at a low transaction cost to the consumer. "You have to be able to do it in a very cheap way for it to work."

Offline there are a range of opportunities in the Mexican gambling sector too. There is a real appetite to increase tourism-

**"YOU HAVE TO BE ABLE TO DO IT IN A VERY CHEAP WAY FOR IT TO WORK"**

**Ana Paula Pinto, Kingsbet**

targeted gambling in the country. There is a concerted effort to improve casino offerings and facilities in major Mexican tourist areas such as Cancun and Los Cabos. This is being coupled with advertising and marketing campaigns to promote the luxury aspect of various Mexican tourist destinations including the Mexican Caribbean coast. Such efforts align with casino resorts and up-market gaming experiences.

There is a hope in the industry that regulations will be in place in time for gambling to make a significant push before the start of the 2026 FIFA World Cup. The tournament by itself is expected to drive massive increases in both Mexican tourism and sports betting in the country. If the regulatory picture would be cleared up by that point the industry

could really capitalise, according to Miguel Ángel Ochoa Sánchez, president of AIEJA.

"By providing legal certainty in accordance with our current needs, it will allow Mexico to position itself as a comprehensive tourist destination with betting services with the best level that we see globally," he says.

#### **GROWTH AREAS**

Beyond that, the sector is also looking at other areas for growth. This includes northern locations such as Sonora and Monterrey that benefit from the US-Mexico trade corridor and cross-border movements. One with the potential to be pushed by both growth factors is Caliente, already one of the most famous casinos in the country. Located in the northern tourist destination of Tijuana, it can benefit from both the tourism influx from the USA and the higher salary and spending power of Mexicans in the north of the country, according to Pinto.

In contrast, Chiapas in the south of the country is also a potential

# Tech could ease challenges from new regulations

area of growth, Pinto adds. It's an alternative tourist destination contrasting with some of the more well-known Mexican spots but also has a domestic population with a lower average salary. This means that there are concerns about casinos operating in grey areas in order to keep costs down to an acceptable level for clientele, she says.

"The growth of land-based casinos in popular tourist destinations such as Mexico City and Cancun is expected to increase the overall profits of the gaming industry," says Liliana Costa. "Stakeholders are optimistic about the prospects for the development of the gaming market in Mexico for the coming year, as the industry continues to change and adapt to changing consumer tastes."

To meet changing consumer tastes, online and land-based operators will explore new formats once regulations are clarified. Esports and other youth-oriented formats are predicted to be big growers in the sector over the

coming years. The integration of augmented reality (AR) and virtual reality (VR) technologies has boosted online player engagement while mobile gambling, aided by rising smartphone adoption, offers more convenient betting access.

Sports betting, especially baseball and football, is a major growth driver for online gambling in Mexico. Interest in alternative sports is also rising, including fighting sports and American imports like the National Football League and National Basketball Association.

Growth in streaming of egames is also on the rise, with these expected to generate significant revenue in the future, according to Pinto. "There's a lot of opportunity. We have a lot of very prestigious casinos here that are very established. But the offering is almost always the same. They don't change. So there's opportunity for something different and because we are a very, very large country, there's a lot of different prospects. I think for me, Mexico is the new American dream."

*The same potential change to regulations that could push the Mexican gaming sector to new heights may also drag it down*

**SOME OF THE** factors creating opportunities in the Mexican gambling market also contribute to the challenges the sector faces. Reforming Mexico's outdated gambling laws could lead to improved regulations but also brings significant uncertainty about the industry's future.

Further contributing to the potential challenges is both a lack of certainty about the timing and details of the final bill. It may be the bill is pushed through by next year. That is the view of Carlos Portilla Robertson, partner at Portilla, Ruy-Diaz and Aguilar.

"Next year there will be a new law. I'm sure they will authorise everything. They'll do online. We're waiting for that law, but I'm positive that it will be a good law. I think it's going to be better than how things are working for the industry at the moment," he says.

But others aren't so sure about the timing. There's a chance the law is ready for next year but it's by no means a certainty, according to Ana Paula Pinto of Kingsbet. "Legislators have other priorities,

so while the law may be presented, its passage within that timeframe is far from certain," she says. "The current gambling system is outdated but it does work, so given other issues facing Mexico, it could be deemed less of a priority."

## **TAXES UNDER THE MICROSCOPE**

Presenting the law could provide clarity on the content and direction of future regulation, addressing a key industry challenge. One area of concern is a proposal to levy a 50% tax on the gambling industry. Currently the sector faces tax rates of around 32% – including a 30% tax and a 1-2% mandatory levy to finance regulation depending on the deal struck when the licence was negotiated.

The significant potential increase has been greeted with some consternation. Some, such as Portilla, believe the high rate will drive business to the black market. Mexican legislators have looked to Europe for comparisons but misapplied the situation. The factors that allow for high tax rates on gambling in European

countries don't necessarily carry over to LatAm and Mexican lawmakers would do better to look at closer comparators in the region where there are already high levels of black market activity. "The industry will continue. Other countries have big taxes. But people will turn to the black market," Portilla says.

However, Portilla points out entities in the sector already employ a variety of tax mitigation strategies that have been reviewed by Mexican revenue authorities and found to be legal. There is a chance legislators look to close some of those loopholes. But there is no singular reason why a future rate of 50% couldn't be ameliorated (if not definitively closed) using those

same procedures or whatever new ones accountants develop in response to the new regulations.

Equally, although the rate is higher than neighbouring potential competitors for international gambling trade, when taking a holistic view of the cost of setting up and doing business, Mexico doesn't come out that badly, according to Pinto. She doesn't agree with the proposal but can understand the reasoning – gambling is not a necessity so proposing a tax on a high value form of entertainment makes sense from a revenue perspective. Similarly, the overall picture for developing gambling in the country remains rosy.

"It's a high tax, but it's a very large country with which you can

have a lot of layers and also, it's a country that protects you as a as a permission holder and as a consumer. So I think that is an equilibrium," she says.

"Let's say, compare it to other countries in Latin America that do not have regulation protecting people or countries where it's very expensive to establish a gambling business.

"For example, in Costa Rica, in order to have a casino, you need to have a hotel or a restaurant attached and they do not have any regulations permitting online casinos. Similarly, in Brazil, you need \$10 million to have a permit, which is a new rule for the last year. So they maybe don't have as high a tax rate, but it's a lot more complicated to operate."

But the impact of higher taxes or a new regulatory framework on the black market remains a key concern. By one estimate, from Astuta Analitica, illegal operations cost licensed operators up to \$450 million annually, and the government \$310 million in

taxes, as they continue to evade regulatory oversight.

#### BLACK MARKET PROBLEMS

Portilla's firm estimates as much as 35-40% of the total revenue generated by the gambling sector in Mexico goes to the black market currently. How to reduce this remains a significant challenge with no easy answers.

Without carefully crafted legislation, black market activity will likely rise as Mexico's gambling sector grows. The limited licences and ban on foreign operators without local partners constrain expansion. This is a challenge for the industry, but it's also kept unfettered rampant growth from exploding with potential negative consequences.

That being said, the Mexican amparo system explained in part 8 of this report has created its own issues for gambling companies operating in grey market areas.

A confusing web of regulations has emerged, with multiple entities interpreting rules differently, creating uncertainty for gambling companies.

This has led to a situation

**"I'M SURE THEY WILL AUTHORISE EVERYTHING. THEY'LL DO ONLINE. WE'RE WAITING FOR THAT LAW, BUT I'M POSITIVE THAT IT WILL BE A GOOD LAW"**

**Carlos Portilla Robertson, Ruy-Diaz and Aguilar**

where some companies may be operating under what they interpret to be the correct or most preferential rules but what another authority may deem to be incorrect. Presumably the new regulatory framework will address this challenge.

No single regulation can solve infrastructure issues, but technology is advancing rapidly to fill gaps. New payment systems are already making digital engagement easier for Mexican consumers.

There are new solutions such as SPEI and CoDi, which allow faster, more secure deposits and withdrawals, says Portilla. SPEI provides an advantage for Mexico that is not necessarily seen in many competitor countries in the region, agrees Pinto. Agreements with brick-and-mortar outlets

such as the Oxxo convenience store chain enables easier cash to digital wallet transactions at a low consumer cost. "You have to be able to do it in a very cheap way for it to work," she adds.

Meanwhile increased internet connectivity means fewer gaps in internet access and thus a larger potential consumer base. For example, according to the National Institute of Statistics and Geography, Mexico registered 97.2 million mobile phone users in 2023, the majority of which would presumably allow users to access the internet.

Technology may be able to help address black market concerns. Things like the adoption of biometric verification, real-time analytics and AI-based monitoring tools are likely to feature more

**"ILLEGAL OPERATIONS COST LICENSED OPERATORS UP TO \$450 MILLION ANNUALLY, AND THE GOVERNMENT \$310 MILLION IN TAXES, AS THEY CONTINUE TO EVADE REGULATORY OVERSIGHT"**

**Astuta Analitica**

# Looking forward – how regulatory reform could pan out

**“THESE ADVANCES HAVE POSITIONED TECHNOLOGY AS BOTH THE CATALYST FOR MARKET EXPANSION AND THE FOUNDATION FOR FUTURE REGULATORY ALIGNMENT”**

**Carlos Portilla Robertson, Ruy-Diaz and Aguilar**

heavily in the Mexican gambling sector as companies look for ways to enhance responsible gaming measures and anti-money laundering (AML) compliance, according to Portilla.

“These advances have positioned technology as both the catalyst for market expansion and the foundation for future regulatory alignment,” he says.

#### **SAFER GAMBLING CONCERNS**

But there remain social responsibility concerns that aren't so easily addressed. One challenge facing the industry in that regard is that gambling addiction affects 2.3% of Mexican adults, twice the world average.

How the sector will address these issues remains unclear, though

new regulations will likely establish minimum safety nets. Mexican President Claudia Sheinbaum is friendlier to the industry than her predecessor, Andres Manuel Lopez Obrador. But that's more a reflection of Obrador's vehemently anti-gambling stance than an endorsement of Sheinbaum's feelings for the sector.

It seems likely that while she will allow the sector to continue to grow (unlike Obrador's plans), consumer protections and safeguards are likely to be mandated as part of the cost of operating in the country. Whether through levies for gambling addiction treatment, charities or other measures, social responsibility should be considered as proposals are developed later this year.

*Pressure to address gambling regulations in Mexico is mounting. But so are other issues facing the government. Which will get priority?*

**THE STRUCTURE AND** timeline of a new regulatory framework remain central topics in the Mexican gambling sector.

Reform has been anticipated for some time. Prior to Claudia Sheinbaum's election with a strong majority, the Morena party (which Sheinbaum also represents) under former President Obrador had intended significant reforms that would have effectively curtailed much of the gambling activity in Mexico.

However, this was deemed to be unconstitutional as they disrupted established business practices. This left the possibility for Sheinbaum to institute a more egalitarian reform of gambling that would modernise an 80-year-old law that last saw any

sort of tweaks 20 years ago. As a result, there appears to be significant political appetite for reforms that would update the regulatory framework and establish rules fit for a modern industry.

Society and technology are changing significantly faster than any laws, according to Kingsbet's Ana Paula Pinto. This means reforms must be robust and flexible enough to adapt to unexpected future developments. There are some important laws already in place in Mexico regarding money laundering, protecting customers and protecting their information. But they don't necessarily marry perfectly with existing gambling laws, she says.

“While no immediate legislative overhaul followed the election, the

**“WHILE NO IMMEDIATE LEGISLATIVE OVERHAUL FOLLOWED THE ELECTION, THE ADMINISTRATION HAS MAINTAINED A STATED COMMITMENT TO ADVANCING A MODERNISED GAMING LAW”**

**Carlos Portilla Robertson, Ruy-Diaz and Aguilar**

## Stakeholder mapping: key players in regulation and lobbying

### PRESIDENT OF MEXICO

**Claudia Sheinbaum Pardo, Morena party**  
Mexico's 2024 federal elections resulted in a decisive victory for Sheinbaum, whose ruling coalition secured a strong majority in Congress. Given this outcome, continuity with the prior administration's regulatory stance was widely expected. However, Sheinbaum has thus far appeared to be much more friendly to the sector than her predecessor Andrés Manuel López Obrador.

### SECRETARY OF THE INTERIOR (SEGOB)

**Rosa Icela Rodríguez Velázquez (Morena Party)**  
Secretary Rodríguez has previously worked with both Sheinbaum and Lopez Obrador. She served under Sheinbaum during her time in charge of the government of Mexico City and previously served as the country's secretary of security and citizen protection.

### GENERAL DIRECTORATE OF GAMING AND RAFFLES

**Director General Leonardo**

**Manuel Figueroa Martínez**  
The director general is accountable for ensuring transparency, fairness and legality in games featuring betting or raffles. Figueroa Martínez was appointed to the position in July 2023 having previously worked in the Ministry of Labour and Social Welfare as well as holding lower roles within the General Directorate of Gaming and Raffles.

### AIEJA PRESIDENT

**Miguel Ángel Ochoa Sánchez**  
Ochoa Sanchez is the long-time president of

AIEJA, having led the lobbying organisation since 2010. Prior to that he held a variety of public and private roles, though none specifically connected to the gaming or gambling industries.

### APJSAC PRESIDENT

**Alfonso Pérez Lizaur Pérez** leads another major gambling lobbying association in Mexico and has represented casino operators, permit holders and other gaming, betting and raffle businesses on regulatory issues for over 15 years.

administration has maintained a stated commitment to advancing a modernised gaming law," adds lawyer Carlos Portilla Robertson. "The upcoming political cycles will determine whether this initiative gains traction and whether the Supreme Court's ongoing review of the 2023 amendments to the regulations accelerates reform momentum."

Despite the appetite for change, the exact timeframe remains unclear. Experts expect proposals to be presented before the end of the year. The more optimistic expect

those proposals to be debated and legislation to be passed early next year in time for reforms to be in effect for the 2026 FIFA World Cup, which Mexico is co-hosting.

Others, such as Pinto, however,

**"SOCIETY AND TECHNOLOGY ARE CHANGING SIGNIFICANTLY FASTER THAN ANY LAWS"**

**Ana Paula Pinto, Kingsbet"**

are unsure whether things will move quite so fast. The fact is that although it's hindering the industry, it's not exactly broken. Given the press of other legislative priorities, it could be Mexican lawmakers put it on the backburner in favour of addressing more immediate concerns. History certainly supports such a move. In such a case, reforms will not happen in time for the massive opportunity presented by the 2026 World Cup. Instead they may take place in two or three years – if not shelved for a longer period.

# Looking to Mexico? Think local

*Local involvement is required for foreign company licensing, local expertise is recommended for foreign success*

**RELY ON LOCAL** knowledge is the most important, though unsurprising, strategic recommendation for international operators as well as tech and service providers from two local experts.

Ana Paula Pinto and Carlos Portilla Robertson both recommend that any company looking to become involved in the Mexican gambling sector first engage experienced local counsel and regulatory advisers.

This is due to the complex regulatory situation in Mexico and the cultural and bureaucratic idiosyncrasies of the country. By way of example, Pinto tells of a partner submitting a document in English (the Mexican regulator only accepts documents in Spanish, requiring it to be resubmitted).

Further, some international companies, accustomed to European gambling systems, face confusion when dealing with Mexican licensing and corporate documentation. "Here in Mexico, I have a licence. I have a valid licence, but there's no web service that can allow you to verify the number of the licence and this has been a huge problem with a lot of platforms offering services," Pinto says.

### BOOTS ON THE GROUND

Local assistance can ease bureaucracy and documentation for establishing and managing a company, as well as practical tasks like finding and renting offices. "It's a bureaucratic

**"THROUGH PROACTIVE COMPLIANCE AND STRATEGIC PARTNERSHIPS, OPERATORS AND TECHNOLOGY PROVIDERS CAN ESTABLISH A SOLID FOUNDATION FOR LONG-TERM PARTICIPATION IN MEXICO'S EVOLVING GAMING LANDSCAPE"**

**Carlos Portilla Robertson, Ruy-Díaz and Aguilar**

country, so it's important to have someone to help you out," Pinto adds. "And it's expensive. It's an expensive industry and an expensive business, so be prepared for the taxes and all the other things that will need to be paid."

She advises companies to study the Mexican market thoroughly, noting its significant regional cultural and economic differences and its distinctiveness even from similar LatAm neighbours.

"I would say, if you are a foreigner, to live in Mexico for some time before you do business here," she says. "It's important to understand culturally and it's also important to know how people like to play. In terms of setting things like promotions or bonuses, or designing publicity campaigns, I think it's very important to know this country well."

For example, there are significant differences between some of the major areas for casinos – the north, the Caribbean coast and the south. The north tends to have higher domestic salaries and an influx of money from cross-border trading

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**Ana Paula Pinto, Kingsbet**

through the USA-Mexico trade corridor. On the Caribbean coast, the focus is on upscale resorts catering to tourists, while southern areas like Chiapas offer alternative tourism but lower domestic earning power. Both present distinct challenges and opportunities for gambling businesses.

The same could be said for choice of gaming and sports betting offerings. Mexicans love a diverse range of sports and games from football and baseball to more US-focused pastimes such as American football and baseball. Growing interest in online offerings such as participation in esports or following streamers is creating further options, while a traditional

love of lottery games continues to persist.

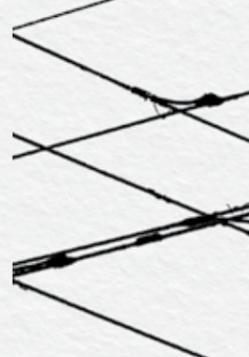
Portilla adds that strict adherence to the rules during this time of regulatory change would benefit operators and service providers well. He recommends observing advertising restrictions, robust age-verification systems, anti-money laundering compliance and responsible gaming measures aligned with international standards to build regulatory goodwill.

"Through proactive compliance and strategic partnerships, operators and technology providers can establish a solid foundation for long-term participation in Mexico's evolving gaming landscape," he says.

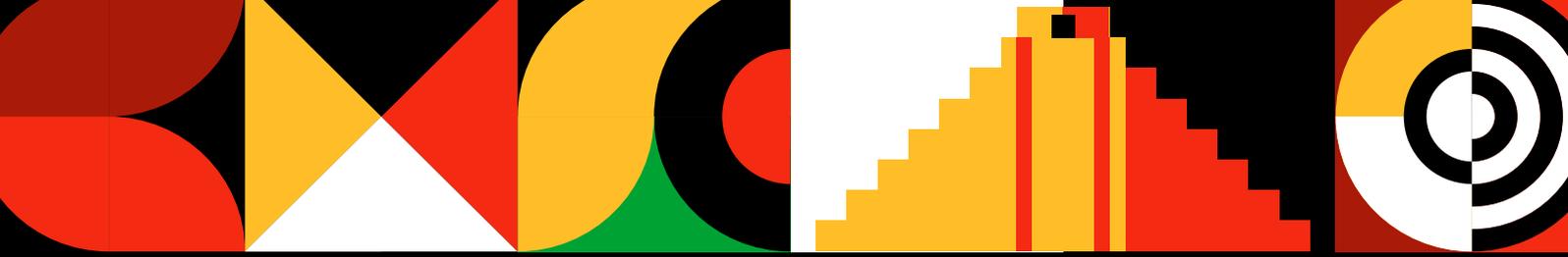
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