

Alert | Gaming



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Amendments and additions of various provisions to the Regulations of the Federal Law on Games and Sweepstakes

On November 16, 2023, the President of Mexico issued decree (“Decree”) in the Official Gazette of the Federation (Diario Oficial de la Federación) (“DOF”) amending and adding several provisions of the Regulation to the Federal Law of Games and Raffles (Reglamento de la Ley Federal de Juegos y Sorteos) (“Regulation”).

Among other changes to the Regulation, the Decree eliminates permission to operate slot machines and amends certain requirements regarding the framework for applying and obtaining gambling permits. The Decree came into effect the day after its publication in the DOF.

I. Prohibition to Operate Slot Machines

The Decree prohibits the operation of slot machines. In terms of the second paragraph of Article 12 of the Regulation, “slot machines” are defined as “any device through which the user plays with a bet, by inserting cash or any other form of payment for the purpose of obtaining a prize.”

In addition, the Decree establishes that any form of gambling involving playing cards or similar items in all their modalities, dice, roulette, and slot machines cannot be considered as "raffles" and is now considered forbidden.

Permits for the operation of slot machines granted before the Decree's entry into force shall remain valid. However, the maximum term of such permits shall be reduced to a non-extendable term of fifteen years, counting from the publication of the Decree in the DOF.

II. Changes to Legal Framework for Obtaining Gambling Permits

The Decree strengthened the requirements for applying and obtaining gambling permits. For example, the Decree introduces the following new requirements for legal entities applying to obtain a permit: (i) providing the name, nationality, domicile, and a copy of the official ID of all individual shareholders of the legal entities that form part of the applying entity, and (ii) providing a statement under oath issued by shareholders of the applying entity certifying that they have not been convicted of a crime of an economic or tax nature or related to organized crime or operations with resources of illicit origin.

Additionally, the Decree establishes that permits will now have a minimum term of one year and a maximum term of fifteen years. Previously, permits had a maximum term of twenty-five years. However, the Decree specifies that all existing permits currently in operation will remain valid during their current term, considering the new maximum term of fifteen years, and without any extensions.

Further, previously the Regulation used to consider two different legal figures for the operation of gambling venues, "operators" and "permit holders". "Operators" were legal entities that would exploit the permit granted in favor of a "permit holder" in order to operate a gambling venue. The Decree has eliminated the figure on "operator" and now only contemplates that "permit holders" are the only ones that can operate a gambling venue and exploit the corresponding permit. In this respect, the Transitory Articles of the Decree set forth that the rights of the operators regarding venues that are currently operating will survive until the term of their corresponding permit (without any extensions).

Finally, the Decree establishes that permits will only be granted to one venue (or event) in particular, and any location changes will require applying for a new permit.

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