Illegal market could dominate 72% of betting in Brazil by 2026, warns Yield Sec report

OCTOBER 27, 2025

Study reveals that illicit sites already handle more money than regulated platforms, and the trend is set to worsen without coordinated action.

ILLEGAL BETS ALREADY SURPASS REGULATED ONES IN THE COUNTRY.

The online betting market in Brazil is experiencing a worrying reversal. In the second quarter of 2025, illicit sites received R$1.04 for every R$1 bet on regulated platforms, according to a report by the consultancy Yield Sec.

In the first half of the year, the sector handled R$35.5 billion, with R$18.1 billion (51%) coming from illegal operations and R$17.4 billion (49%) from licensed operators.

Yield Sec projects that by the end of 2026, the illicit market could dominate up to 72% of bets in Brazil, driven by major sporting events like the 2026 World Cup.

BILLION-DOLLAR FISCAL IMPACT

The loss of tax revenue is alarming. Between April and June 2025, the government failed to collect between R$1.8 and R$2.7 billion in taxes due to illegal sites.
Over 12 months, the tax evasion could reach R$10.8 billion, according to estimates by industry analysts.

Complementary research reinforces the warning:

• A study by LCA Consultores, in partnership with the Brazilian Institute for Responsible Gaming (IBJR) and the Locomotiva Institute, showed that between 41% and 51% of bets in Brazil occur on unregulated platforms.

• According to a survey cited by Agência Brasil, six out of ten bettors used illegal sites in 2025.

WHY IS THE ILLICIT MARKET GROWING SO FAST?

• Immediate adaptation of illegal operators
When a domain is blocked, another one appears almost instantly. This digital agility makes enforcement ineffective, as operators can recreate sites in minutes, maintaining the financial flow.

To combat this, the Prizes and Betting Secretariat (SPA), linked to the Ministry of Finance, started targeting payment institutions and banks that process illegal transactions.

Ordinance No. 566/2025 established new rules, prohibiting the use of bank accounts by unauthorized sites and requiring anti-fraud controls from financial institutions.

• Irregular advertising on social networks
Even though they are prohibited, ads for illegal bets continue to circulate on social networks.
In August, the Office of the Attorney General (AGU) notified Meta (owner of Facebook and Instagram) to remove irregular content within 48 hours and prevent new promotions by unlicensed companies.

In September, the SPA, Anatel, and the National Association of Games and Lotteries (ANJL) signed a technical cooperation agreement to strengthen blocks and create a cyber lab for tracking illegal bets.

REGULATION UNDER CONSTRUCTION AND NEW CHALLENGES

Fixed-odds betting was authorized in Brazil by Law No. 13,756/2018, but only gained effective regulation with Law No. 14,790/2023, which included online games and created the SPA in January 2024.

Among the main requirements for regulated operators are:
• Identification and proof of life of players;
• Bank accounts in the user's name;
• Prohibition of cash deposits or bank slips;
• Robust information security policies;
• Monitoring of sports integrity;
• Prohibition for minors under 18 and betting on youth categories.

Even so, the debate continues. Bill 2842/23, currently under discussion, proposes to ban bets on "individual plays," such as corner kicks and cards — a measure that, according to experts, could push bettors back to the illegal market.

RISCOS PARA CLUBES, PATROCÍNIOS E INTEGRIDADE ESPORTIVA

Risks for Clubs, Sponsorships, and Sports Integrity

If the illicit market continues to grow, Brazilian soccer could be one of the hardest hit.

According to Ismail Vali, CEO of Yield Sec, if crime dominates more than 60% of the market, clubs will lose sponsors; if it reaches 75%, half of the contracts could disappear.

Currently, all Serie A clubs have betting sponsors — about 90% of the companies in the sector occupy the main space on the jersey.

In August 2025, Flamengo signed a record contract of R$268.5 million with Betano, far surpassing the values of the banking sponsorship it received five years ago.

Beyond the financial impact, there is a direct risk to sports integrity: regulated houses are required to report suspicions of match-fixing, while illegal sites operate without any control or traceability.

PROFILE OF THE VULNERABLE BETTOR AND THE INDUSTRY'S RESPONSE

A Central Bank study indicates that 17% of social program beneficiaries have already placed bets — many sending money via Pix to illegal sites.

Another survey by the Locomotiva Institute showed that 78% of bettors cannot identify if a site is regulated, and 46% have already deposited money on irregular platforms.

In response, the IBJR launched the campaign "Chega de bode na sala" (Enough with the elephant in the room), to warn about the risks of illegal bets and encourage the use of regulated sites.

A SCENARIO DEMANDING COORDINATED ACTION

Brazil is at a critical moment. The illegal market has already surpassed the legal one — and everything indicates this gap is set to widen.

More illegality means:
• Less tax revenue.
• Risk to sports integrity.
• Erosion of public trust.

The current measures — domain blocks, notifications to social networks, and financial restrictions — are important, but still fragmented.

Without integration between public agencies, international cooperation, and better education, the game will remain unbalanced — and the illicit market, victorious.