
Online gambling and online sports betting law amended

Lima - Legal flash

June 2023



On June 28, 2023, Law 31806 ("Amendment Law") was published in the official gazette "El Peruano", which amends Law 31557, Law that regulates the exploitation of online gambling and online sports betting ("Law 31557").



Preliminary comments

The main changes incorporated by the Amendment Law are aimed to specify and modify certain concepts and scope of Law 31557. Among others, it provides the following: specify who has the status of taxpayer, modify the amount and scope of the collateral for the exploitation of technological platforms for online gambling and online sports betting, specify aspects related to the registration and verification of player status, modify the entry into force of Law 31557, as well as modify the criminal offense provided in article 243-C of the Peruvian Criminal Code.

The Amendment Law introduces amendments to Law 31557, as follows:

- Articles 3, 7, 8, 11, 12, 13, 15, 22, 24, 26, 29, 31, 38 and 40, as well as the first and seventh final supplementary provisions are amended.
- A final supplementary provision is included.
- An amending supplementary provision is included.

It should be noted that Law 31557, including the new legal text, will enter into force 120 days after the date of publication of its Regulations.

Main amendments

Definitions

The Amendment Law establishes precisions regarding the following concepts:

- Online sports betting
- Sports event
- Online gambling
- Player
- License and registration procedure
- Online sports betting gaming rooms

License for the exploitation of the technological platforms

It incorporates the following web domains: “.bet”, “.com”, “.pe” y “.com.pe”, not only limited to “.bet.pe” for the exploitation of the technological platforms regarding online gambling and online sports betting.



Payment gateways are removed as an object of license and registration, including the compliance certificate. Also, regarding progressive systems, their use is included not only for online gambling also for online sports betting.

Player status

It is specified that to acquire the status of player it is a prerequisite to register on the technological platform and obtain the code or user account. During the registration process, the identity, age and nationality of the players is verified.

The verification of the correspondence between the identity of the player and the code or user account give to the player is responsibility of the holder of the license for the exploitation of the technological platform for online gambling also for online sports betting.

Payment methods

It is specified that the prize will be collected through the payment method chosen by the player or into a bank account in the name of the player.

Collateral

The obligation to have a collateral for online sports betting rooms is removed.

Also, it is specified that the amount of the collateral is equivalent to the greater of 3% of the annual net income or 600 Tax Units (UIT), in force on the date the license is granted. The difference between the gross annual income received in the previous tax year and the total amount of refunds and prizes paid out in the same tax year is taken into account.

Taxpayer

The law specifies that the taxpayers are the legal entities referred to in sections 7.1 and 7.2 of Article 7, meaning, legal entities incorporated in Peru, branches offices in Peru of legal entities incorporated abroad, as well as legal entities incorporated abroad; all of them which operate online gambling or online sports betting through technological platforms.

Amendments to the Peruvian Criminal Code

The Amendment Law establishes a new amending supplementary provision about a modification to Peruvian Criminal Code:



“Article 243-C.- Illegal operation of casino games and slot machines or online gambling or online sport betting.

Whoever organizes, conducts or operates casino games and slot machines, online gambling or online sport betting without having complied with the requirements of the laws and their regulations for their organization, conduction or operation, shall be sentenced to not less than one nor more than four years, with a fine of three hundred and sixty-five days and disqualification to exercise said activity, in accordance with subsection 4) of article 36 of the Criminal Code”.

For additional information, please contact your usual contact person at Cuatrecasas. In case you do not have one, please contact the following lawyer who is an expert in the matter.

Contact:



Mónica Gálvez

+51 1 350 9010

monica.galvez@cuatrecasas.com

©2023 CUATRECASAS

All rights reserved.

This legal flash is a compilation of legal information prepared by Cuatrecasas. The information and comments in it do not constitute legal advice.

The intellectual property rights on this document are held by Cuatrecasas. Any reproduction, distribution, assignment, or any other full or partial use of this document is prohibited, unless with the consent of Cuatrecasas.

