

DRAFT PROPOSAL – PROVISIONAL MEASURE

Amends Decree-Law No. 204, of February 27, 1967, Provisional Measure No. 2,158-35, of August 24, 2001, Laws No. 5,768, of December 20, 1971, and No. 13,756, of December 12, 2018; regulates the operation of fixed-odds betting lotteries by the States, Municipalities, and Federal District; and repeals Law No. 14,455, of September 21, 2022.

THE **PRESIDENT OF THE REPUBLIC**, in the exercise of the authority conferred upon him by Article 62 of the Constitution, adopts the following Provisional Measure, with the force of law:

Article 1. Provisional Measure No. 2,158-35, of August 24, 2001, shall be amended as follows:

"Article 50. The Authorization Fee is hereby established regarding the authorization of activities provided for in Law No. 5,768, of December 20, 1971, and shall be levied on the operation plan value, in the manner and conditions to be established by the Minister of Finance.

§1º. The Authorization Fee, as referred to in the preceding paragraph, shall be collected in accordance with Annex I.

....." (NR)

ANNEX I - MP 2,158-35/2001

Value of the prizes offered	Authorization fee:
From BRL 10,000.01 to BRL 50,000,00	BRL 1,700.00
From BRL 50,000.01 to BRL 100,000.00	BRL 4,200.00
From BRL 100,000.01 to BRL 500,000.00	BRL 13,400.00
From BRL 500,000.01 to BRL 1,667,000.00	BRL 41,700.00
Above BRL 1,667,000.00	BRL 83,400.00

Article 2. Law No. 5,768, of December 20, 1971, shall be amended as follows:

"Article 1.....

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§ 7. The public authorization act shall impose limitations, based on the number of registration in the Individual Taxpayer Registry (CPF), on the participation of consumers in drawings, gift vouchers, contests, or similar operations." (NR)

"Article 3.....

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§ 1. The Ministry of Finance may authorize the conduct of commercial advertising, with the free distribution of prizes linked to drawings carried out in accordance with item I of the caput, subject, where applicable, to the provisions of Article 1 and the requirements of Article 5.

§ 2. The Ministry of Finance shall have the authority to specify other situations in which authorization shall be exempted." (NR)

"Article 3-A. The free distribution of prizes related to commercial promotions of up to R\$10,000.00 (ten thousand reais) shall be independent of authorization, without prejudice to prior notification to the Ministry of Finance and the payment of due taxes, which shall be mandatory regardless of the prize amount." (NR)

"Article 12. The performance of operations governed by this Law without prior authorization subjects the infractors to the following penalties, applicable separately or cumulatively:

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b) prohibition from conducting such operations for a period of up to two years; and
c) warning; and

....." (NR)

"Article 13.

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III - fine of up to one hundred percent of the total value of the promised prizes; and
IV - warning.

....." (NR)

"Article 13-A.

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III - fine of up to one hundred percent of the total value of the promised prizes; and
IV - warning." (NR)

"Article 14.

.....

IV - fine of up to one hundred percent of the amounts received or to be received, as stipulated in the contract, as expenses or administration fees; and

V - warning." (NR)

"Article 16.

Sole Paragraph. The regulatory body may refrain from initiating an administrative sanctioning process if the harm to the protected legal interest is considered low, according to the regulations, and shall use other instruments and measures deemed more effective, observing the principles of purpose, reasonableness, and efficiency." (NR)

"Article 17-A. In the case of a complaint lacking sufficient elements of authorship or materiality, and containing defects and irregularities that hinder its analysis, a one-time extension shall be granted to the claimants to amend it, under penalty of dismissal." (NR)

"Article 19-A. The Ministry of Finance may suspend, at any stage preceding the decision of the first instance, the administrative process aimed at investigating the violation provided for in this Law if the investigated party signs a commitment term in which they undertake, cumulatively:

I - to cease the investigated practice or its harmful effects;

II - to rectify the identified irregularities and compensate for the damages;

III - to make the payment of the pecuniary contribution set forth in the commitment term to the single account of the National Treasury, considering a proportion of 1/3 to 2/3 of the total value of the promised prizes; and

IV - to fulfill other conditions agreed upon in the specific case.

§ 1. The proposal for a commitment term may only be presented once.

§ 2. The proposal for a commitment term may be classified as confidential.

§ 3. The presentation of a proposal for a commitment term does not suspend the progress of the administrative process.

§ 4. The commitment term shall be executed by the Minister of Finance, classified as a public document, and published on the ministry's electronic portal within five business days from its signing.

§ 5. The commitment term constitutes an extrajudicial enforceable instrument.

§ 6. The administrative process and the prescription period shall be suspended upon the publication of the signing of the commitment term by the Ministry of Finance, remaining suspended during the fulfillment of the committed obligations, even if they are not fully fulfilled.

§ 7. The suspension of the administrative process and the counting of the prescription period shall only apply to the interested party who entered into the commitment term as provided in § 6 of this article, with the process and the counting of the period continuing in relation to third parties.

§ 8. The commitment term shall provide for the determination of the fine amount in the event of total or partial non-compliance with the committed obligations.

§ 9. In the event of non-compliance with the committed obligations, the Ministry of Finance shall apply the sanctions provided for in the commitment term and take any other appropriate administrative, extrajudicial, and judicial measures for its enforcement.

§ 10. The proposal for the execution of the commitment term shall be denied if there is no agreement between the Ministry of Finance and the investigated parties regarding the obligations to be committed.

§ 11. The commitment term shall not imply an admission of the factual matter or an acknowledgment of the unlawfulness of the analyzed conduct.

§ 12. The administrative process shall be archived upon the completion of the term set forth in the commitment term, provided that all committed obligations have been fulfilled.

§ 13. The Ministry of Finance shall issue complementary regulations regarding the commitment term." (NR)

"Article 16.

I -

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h) 18.13% (eighteen whole and thirteen hundredths percent) for covering the operational and maintenance expenses of the numerical prognostics lottery operator;

i) 43.35% (forty-three whole and thirty-five hundredths percent) for prize payments and the collection of income tax on the prizes;

j) 0.5% (fifty hundredths percent) for the National Health Fund;

k) 0.5% (fifty hundredths percent) for the Ministry of Tourism; and

II -

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h) 18.13% (eighteen whole and thirteen hundredths percent) for covering the operational and maintenance expenses of the numerical prognostics lottery operator;

i) 43.79% (forty-three whole and seventy-nine hundredths percent) for prize payments and the collection of income tax on the prizes;

j) 0.5% (fifty hundredths percent) for the National Health Fund; and

k) 0.5% (fifty hundredths percent) for the Ministry of Tourism.

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§ 3. The allocations to the National Health Fund and the Ministry of Tourism referred to in subparagraphs "j" and "k" of item I and "j" and "k" of item II of this article shall be in effect until April XXX, 2028.

§ 4. After the deadline mentioned in § 3 of this article, the resources shall be remitted to the National Treasury and may be freely used by the Union." (NR)

"Article 17.

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i) 22% (twenty-two percent) for sports entities in the football modality in exchange for the use of their denominations, brands, emblems, anthems, or symbols for the promotion and implementation of specific prognostic contests;

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II -

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i) 22% (twenty-two percent) for sports entities in the football modality in exchange for the use of their denominations, brands, emblems, anthems, or symbols for the promotion and implementation of specific prognostic contests;

....." (NR)

"Article 20.

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V - 1.5% (one whole and five tenths percent) for sports entities in the football modality in exchange for the use of their denominations, brands, emblems, anthems, symbols, and similar elements for the promotion and implementation of Lotex;

....." (NR)

"Article 22.

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VIII - sports entities in the football modality in exchange for the use of their denominations, brands, emblems, anthems, or symbols for the promotion and implementation of specific prognostic contests and Lotex;

....." (NR)

"Article 23.

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§ 10. The regulation referred to in the heading shall be submitted in advance to the National Sports Council and approved by an act of the Minister of Sports, respecting the social objectives of each beneficiary entity:

I - regulate the types of programs and projects that can be funded with the received resources, prohibiting the funding of purely discretionary activities or those whose objectives differ from those stated in the heading; and

II - establish goals, indicators, and expected results for the application of the received resources." (NR)

"Article 27. The authorization fee referred to in Article 50 of Provisional Measure No. 2,158-35, of August 24, 2001, shall be adjusted monetarily by an act of the Minister of Finance, at intervals of no less than one year.

Sole Paragraph. The value of the adjustment shall not exceed the variation of the official inflation index determined in the period since the last correction." (NR)

"Article 28.

II - prohibition from conducting operations governed by Law No. 5,768, of 1971, for a period established by the Ministry of Finance, not to exceed two years;

III - fine of up to one hundred percent of the sum of the values of the promised prizes, to be determined by the Ministry of Finance; and

IV - warning." (NR)

"Article 29. A lottery modality called fixed-odds betting is created as a public service, to be commercially exploited throughout the national territory.

§ 2. The fixed-odds betting lottery shall be granted, authorized, or licensed by the Ministry of Finance, for consideration, and shall be exclusively operated in a competitive environment, without a limit on the number of concessions, with the possibility of being marketed through any commercial distribution channels, physical and virtual, subject to the regulations of the Ministry of Finance.

§ 4. In the exercise of its supervisory activity, the Ministry of Finance may request technical, operational, economic, financial, and accounting information from regulated agents, as well as data, documents, certificates, attestations, and reports related to the activities carried out, ensuring legal confidentiality and the protection of personal data of the received information, as appropriate." (NR)

"Article 29-A. For the purposes of this Law, the following shall be considered:

I - real sports events: any event, competition, or act that is part of sports competitions, tournaments, games, or tests with human interaction, individual or collective, including virtual ones, excluding those exclusively involving the participation of minors, the outcome of which is unknown at the time of the bet, promoted or organized:

a) in accordance with the rules established by a national sports administration entity in accordance with Law No. 9,615, of March 24, 1998, or its affiliated organizations; or

b) by sports administration entities headquartered outside Brazil.

II - bettor: a natural person who placed a bet through a virtual channel or purchased a ticket in printed form through a physical channel;

III - virtual bet: placed directly by the bettor through an electronic channel, before the actual event to which the bet refers or during its occurrence;

IV - physical bet: made in person through the purchase of a ticket in printed form, before or during the real event to which the bet refers;

V - fixed odds: a multiplication factor of the amount wagered that determines the amount to be received by the bettor in case of winning, for each unit of national currency wagered; and

VI - operator: a legal entity with authorization from the Ministry of Finance to operate a fixed-odds betting lottery in physical and virtual mediums." (NR)

"Article 30.

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- V - payment of income tax on the prize; and
- VI - payment of contributions to social security.
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§ 1-A Contributions to social security, referred to in items III and V of the heading, shall be levied on the revenue after deducting the amounts mentioned, at a rate of 10% (ten percent), and shall be allocated as follows:

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- III - 1.63% (one point sixty-three hundredths percent) to entities of the National Sports System, subject to the provisions of Article 13 of Law No. 9,615, of March 24, 1998, and to Brazilian athletes or those affiliated with sports practice entities headquartered in Brazil, as compensation for the use of their names, sports nicknames, images, brands, emblems, anthems, symbols, and similar for the promotion and operation of the fixed-odds betting lottery;
- IV - 84% (eighty-four percent), at most, to cover the operating expenses and maintenance of the operator of the fixed-odds betting lottery; and
- V - 1% (one percent) to the Ministry of Sports.
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§ 1-C The allocation to the Ministry of Sports, referred to in item V of § 1-A of this article, shall be valid until XXXX, April 2028.

§ 1-D After the deadline mentioned in § 1-C of this article, the funds shall be remitted to the National Treasury and may be freely used by the Union.

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§ 6. The Ministry of Finance shall regulate the form and process by which authorizations will be granted for all operators of the fixed-odds betting lottery modality to use:

- I - the image, name or sports nickname, and other intellectual property rights of the athletes; and
- II - the names, brands, emblems, anthems, symbols, and similar of the sports entities.

§ 7. The allocation mentioned in item III of § 1-A of this article shall be reviewed, as defined in the regulations of the Ministry of Finance:

- I - to entities of the National Sports System and Brazilian athletes or those affiliated with sports practice entities headquartered in Brazil, in cases where their name, nickname, image, and other intellectual property rights are expressly subject to a bet; or
- II - to the national sports administration entity responsible for the specific modality of the event when the participants are not part of the National Sports System.

§ 8. The transfers referred to in items I, II, III, and V of § 1-A of this article shall be calculated and remitted by the operator agents on a monthly basis, as defined in the regulations of the Ministry of Finance.

§ 9. The contribution referred to in item VI of the heading of this article shall be calculated and remitted by the operator agents on a monthly basis, in accordance with the rules established by the Special Secretariat of the Federal Revenue of Brazil of the Ministry of Finance." (NR)

"Art. 32.

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§ 6. The fee mentioned in the caput shall be monetarily adjusted by the Minister of Finance, at intervals not shorter than one year, and the updated value shall not exceed the variation of the official inflation index measured since the last adjustment.

....." (NR)

"Art. 33. Communication, advertising, and marketing activities related to fixed-odds lottery betting shall comply with the regulations of the Ministry of Finance, with self-regulation being encouraged.

§ 1. The operator of the fixed-odds lottery betting shall promote informative actions to raise awareness among bettors and prevent pathological gambling, by developing codes of conduct and disseminating best practices, in accordance with the regulations of the Ministry of Finance." (NR)

"Art. 33-A. Companies providing fixed-odds lottery betting services related to real sports events, as well as their subsidiaries and parent companies, shall not acquire, license, or finance the acquisition of rights to sports events held in the country for the purpose of broadcasting, disseminating, transmitting, retransmitting, reproducing, distributing, making available, or displaying their sounds and images, by any means or process." (NR)

"Art. 33-B. Throughout the national territory, the advertisement and commercial promotion of websites, as well as legal entities or individuals that offer or engage in fixed-odds betting without the authorization referred to in Article 29, are prohibited.

§ 1. Advertising or marketing companies shall, upon notification from the regulatory agency, remove irregular advertisements and campaigns, in accordance with the provisions of the caput.

§ 2. Internet service providers and internet application providers shall, upon notification from the regulatory agency, appropriately block websites or remove applications that offer fixed-odds betting without the authorization provided for in Article 29.

§ 3. Sports administration entities shall prohibit, in the regulations of their competitions, sports practice entities and athletes from displaying the names and brands of companies that offer or engage in fixed-odds betting in any of their marketing properties that may be subject to a branding agreement, without the authorization provided for in Article 29.

§ 4. The National Monetary Council, in accordance with Article 9 of Law No. 12,865, of October 9, 2013, shall guide the regulation of payment arrangements to prevent payments intended for fixed-odds betting by unauthorized operators.

§ 5. The prohibition provided for in the caput shall take effect within a period to be determined by the Ministry of Finance." (NR)

"Art. 33-C. The operator shall adopt security and integrity mechanisms for fixed-odds betting, in compliance with the regulations of the Ministry of Finance, as well as fully comply with the provisions of Law No. 13,709, of August 14, 2018.

§ 1. Sports events subject to betting shall have measures to mitigate match-fixing and corruption in real sports events, implemented by the fixed-odds betting operator, in compliance with Articles 41-C, 41-D, and 41-E of Law No. 10,671, of May 15, 2003, and with regulatory acts issued by the Ministry of Finance.

§ 2. The operator shall integrate a national or international body for monitoring sports integrity." (NR)

"Article 34. Bettors lose the right to receive their prizes or request refunds if the payment is not claimed within a period of up to ninety days, counted from the date of the first disclosure of the real event's result, which is the subject of the bet.

§ 1. The amounts of unclaimed prizes shall be reverted to the Student Financing Fund (Fundo de Financiamento Estudantil - Fies) until April XXX, 2028, subject to the financial and budgetary programming of the federal Executive Branch.

§ 2. After the deadline referred to in § 1 of this article, the resources shall be collected by the National Treasury and may be freely used by the Union." (New provision)

"Article 34-A. The offering of a payment account that allows the bettor to make fixed-odds betting payment transactions and receive their eventual prizes is exclusively reserved for institutions authorized to operate by the Central Bank of Brazil, in accordance with Law No. 12,865 of October 9, 2013." (NR)

"Article 35. The operation of fixed-odds betting lotteries is conditioned upon the adoption and implementation of policies, procedures, and internal controls aimed at preventing money laundering, the financing of terrorism, and the proliferation of weapons of mass destruction, as established in regulations issued by the Ministry of Finance concerning compliance with the obligations provided for in Articles 10 and 11 of Law No. 9,613 of 1998 and the provisions of Law No. 13,260 of March 16, 2016, as well as match-fixing and other frauds." (NR)

"Article 35-A. Infractions shall be investigated through an administrative sanctioning process that complies with the principles of legality, purpose, motivation, reasonableness, proportionality, morality, full defense, adversarial proceedings, legal certainty, and efficiency." (NR)

"Article 35-B. When applying the penalties established in this Chapter, the following shall be considered:

- I - the severity and duration of the infraction;
- II - the primacy and good faith of the offender;
- III - the degree of harm or danger of harm to the national economy, sports, consumers, or third parties;
- IV - the advantage obtained or intended by the offender;
- V - the economic capacity of the offender;
- VI - the value of the operation; and
- VII - recidivism.

§ 1. An agent shall be considered primary if they do not have a definitive administrative conviction for infractions of the legislation and regulations applicable to lottery operations.

§ 2. Recidivism is verified when the offender commits a new infraction of the same nature within a period of three years following the date of the definitive administrative conviction of the previous infraction.

§ 3. In cases of recidivism, the fine shall be doubled." (NR)

"Article 35-C. The following administrative infractions shall be punishable under this Law, without prejudice to the application of other penalties provided for in current legislation:

- I - operating fixed-odds betting lotteries without prior authorization from the Ministry of Finance;
- II - conducting prohibited operations or activities, unauthorized or in non-compliance with the granted authorization;
- III - obstructing the supervision of the competent administrative authority;
- IV - failing to provide the competent administrative authority with documents, data, or information whose submission is required by legal or regulatory norms;

V - providing the competent administrative authority with incorrect documents, data, or information, or in non-compliance with the deadlines and conditions established in legal or regulatory norms;

VI - disclosing advertising and commercial propaganda of unauthorized fixed-odds betting operators, as provided in Article 29;

VII - failing to comply with legal and regulatory norms that are the responsibility of the competent administrative authority to oversee; and

VIII - engaging in, encouraging, allowing, or in any way contributing to practices that undermine sports integrity, uncertainty of sports results, transparency of rules applicable to sports events, equality among competitors, as well as any other form of fraud or undue interference capable of affecting the fairness or integrity of activities associated with the legitimate performance of sports.

Sole paragraph. It constitutes an obstruction to supervision to deny or hinder access to data and information systems and not to display or provide documents, papers, and accounting books, including in electronic form, within the deadlines, forms, and conditions established by the competent administrative authority in the exercise of its supervisory activity." (NR)

"Article 35-D. The occurrence of the infractions provided for in Article 35-C subjects the natural or legal person responsible to the following administrative sanctions:

I - warning;

II - in the case of a legal entity, a fine ranging from 0.1% (one-tenth percent) to 20% (twenty percent) of the gross revenue of the last fiscal year prior to the initiation of the administrative sanctioning process, excluding taxes, which shall never be lower than the advantage obtained, when its estimation is possible, nor exceed BRL 2,000,000,000.00 (two billion Brazilian Reais), per infraction, in accordance with Article 35-B of this Law;

III - in the case of other individuals or legal entities of public or private law, as well as any associations of entities or individuals constituted in fact or in law, even temporarily, with or without legal personality, that do not engage in business activities, and where the criterion of gross revenue cannot be applied, the fine shall be between BRL 50,000.00 (fifty thousand Brazilian Reais) and BRL 2,000,000,000.00 (two billion Brazilian Reais) per infraction, in accordance with Article 35-B of this Law;

IV - partial or total suspension of activities for a period of up to one hundred and eighty days;

V - revocation of authorization, extinction of permission or concession, cancellation of registration, disqualification, or similar acts of release;

VI - prohibition from obtaining ownership of a new authorization, grant, permission, accreditation, registration, or similar acts of release for a maximum period of ten years;

VII - prohibition from engaging in certain activities or types of operations for a maximum period of ten years;

VIII - prohibition from participating in public tenders for the concession or permission of public services in the federal direct or indirect public administration, for a period not less than five years; and

IX - disqualification from acting as a director, administrator, or holding a position in a body provided for in the bylaws or articles of association of a legal entity that operates any lottery modality, for a maximum period of twenty years.

§ 1. One or more natural or legal persons may be held individually or jointly responsible for the same infraction.

§ 2. The sanctions provided for in items I and II of the caput, fixed above BRL 200,000.00 (two hundred thousand Brazilian Reais), as well as items V to IX, shall be imposed by the Minister of Finance.

§ 3. The sanctions provided for in this article may be applied individually or cumulatively, in accordance with criteria defined in the regulation of the Ministry of Finance, in accordance with Article 35-B of this Law." (NR)

"Article 35-E. The following precautionary measures may be applied, on a provisional basis, before the initiation or during the course of the administrative sanctioning process, when the requirements of plausibility and urgency are present, provided that they are reasoned:

I - temporary deactivation of instruments, equipment, systems, or other objects and components intended for the operation of machines and facilities;

II - temporary suspension of prize payments;

III - collection of issued tickets; and

IV - other precautionary measures deemed necessary for the protection of the protected legal interest.

§1. In the event of non-compliance with the precautionary measures determined, a fine may be imposed, regardless of the administrative process provided for in Article 35-A, in an amount not exceeding BRL 100,000.00 (one hundred thousand Brazilian Reais) per day of delay in compliance.

§2. In the presence of evidence of result manipulation or other similar frauds, the Ministry of Finance may provisionally determine the immediate suspension of bets and the withholding of prize payments, regarding the suspicious event, as well as other restrictive measures aimed at preventing or mitigating the consequences of practices that violate sports integrity." (New provision)

"Article 35-F. The Ministry of Finance may suspend, at any stage preceding the decision of the first instance, the administrative process aimed at investigating the infraction provided for in this Law if the investigated party signs a commitment term in which they undertake, cumulatively:

I - to cease the investigated practice or its harmful effects;

II - to correct the identified irregularities and indemnify for damages;

III - to make the payment of the pecuniary contribution established in the commitment term to the single account of the National Treasury, observing the proportion of 1/3 to 2/3 of the amounts provided in items II and III of Article 35-D; and

IV - to comply with the other conditions agreed upon in the specific case.

§ 1. The proposal for a commitment term may only be submitted once.

§ 2. The proposal for a commitment term may be classified as confidential.

§ 3. The submission of a proposal for a commitment term does not suspend the progress of the administrative process.

§ 4. The commitment term shall be executed by the Minister of Finance, classified as a public document, and published on the ministry's website within five business days from its signing.

§ 5. The commitment term constitutes an extrajudicial enforceable instrument.

§ 6. The administrative process and the prescription period shall be suspended from the publication of the signing of the commitment term by the Ministry of Finance and shall remain suspended during the fulfillment of the committed obligations, even if they are not fully complied with.

§ 7. The suspension of the administrative process and the counting of the prescription period shall only have effect in relation to the interested party who has signed the commitment term, as provided in §6 of this article, with the course and counting of the period continuing in relation to third parties.

§ 8. The commitment term shall provide for the establishment of the fine amount in the event of total or partial non-compliance with the committed obligations.

§ 9. If the non-compliance with the committed obligations is declared, the Ministry of Finance shall apply the sanctions provided for in the commitment term and adopt the other administrative, extrajudicial, and judicial measures necessary for its enforcement.

§ 10. The proposal for the execution of the commitment term shall be denied if there is no agreement between the Ministry of Finance and the investigated parties regarding the obligations to be committed.

§ 11. The commitment term shall not imply admission regarding the facts or acknowledgment of the illegality of the analyzed conduct.

§ 12. The administrative process shall be closed upon the expiration of the term established in the commitment term if all committed obligations are met.

§ 13. The Ministry of Finance shall issue complementary regulations on the cessation commitment term. (NR)

"Article 35-G. It is prohibited, directly or indirectly, including through third parties, for the following individuals to participate as bettors:

I - owner, administrator, director, person with significant influence, manager, or employees of the operator;

II - public officials whose duties are directly related to the regulation, control, and oversight of the activity at the federative level in which they exercise their competencies;

III - individuals under eighteen years of age;

IV - individuals who have or may have access to the computerized systems of fixed-odds betting lotteries; and

V - individuals who have or may have any influence on the outcome of a real sports event that is the subject of the fixed-odds betting lottery, including:

a) individuals holding positions as sports executives, sports coaches, trainers, or technical staff members;

b) sports referees, assistant sports referees, or equivalents; sports agents or representatives of athletes, coaches, or members of the technical staff;

c) members of the governing or supervisory bodies of competition or sports event organizing entities; and

d) participants in competitions organized by entities belonging to the National Sports System; and

VI - other cases to be defined by the regulator.

Sole paragraph. The hypothesis provided for in item II of the caput does not exempt public officials from complying with the duties and prohibitions established in laws and regulations, especially Law No. 8,429 of June 2, 1992, and Law No. 12,813 of May 16, 2013." (NR)

"Article 35-H. The Ministry of Finance is responsible for:

I - authorizing, permitting, and granting, standardizing, regulating, supervising, and overseeing the operation of fixed-odds betting lotteries;

II - establishing the value of the concession for the operation of the public service of fixed-odds betting lottery;

III - regulating, overseeing, and applying administrative sanctions, in accordance with Law No. 9,613 of March 3, 1998, regarding the duties provided for in Articles 10 and 11;

IV - initiating the administrative process and applying administrative sanctions for violations of the provisions of this Law and the regulations issued by the Ministry of Finance;

V - regulate the penalties and the administrative sanctioning process provided for in this Law, establishing:

a) the gradation and quantification of penalties;

b) criteria for determining the amount of the fine referred to in Article 35-D, paragraphs II and III; and

c) the procedure and deadlines for the administrative sanctioning process.

VI - prohibit, by its own act, the carrying out of fixed-odds bets on certain sports events; and

VII - establish measures that the operator must adopt to prevent the direct or indirect participation, including through third parties, of individuals mentioned in Article 35-G as bettors.

§ 1. The Ministry of Finance unit responsible for exercising the competencies provided for in this article shall seek to segregate functions, including between formulation and execution tasks, in order to prevent conflicts of interest.

§ 2. Federal public administration bodies and entities whose activities are directly or indirectly related to lottery activities shall provide the support and information requested by the regulator for the exercise of its competencies regarding the subject matter.

§ 3. The regulator may, without prejudice to the provisions of the caput, collaborate with other public or private entities or bodies to carry out its competencies, including regarding the necessary information technology structures for regulation.

§ 4. The Ministry of Sports shall assist the Ministry of Finance in supervisory actions aimed at ensuring integrity in sports. (NR)

CAPÍTULO V-A

EXPLORATION OF LOTTERIES BY STATES, MUNICIPALITIES, AND FEDERAL DISTRICT

Article 35-I. States, Municipalities, and the Federal District are authorized to explore, within their territories, only the lottery modalities provided for in federal legislation.

§ 1. The exploration of lotteries by States, Municipalities, and the Federal District may be carried out through concession, permission, authorization, or directly, always in compliance with federal legislation and regulations.

§ 2. In the case of exploration by States, Municipalities, and the Federal District of a lottery modality similar to that provided for in Article 2 of Decree-Law No. 204 of February 27, 1967, the use of the term "Federal Lottery" is prohibited.

§ 3. The sale of lotteries by States, Municipalities, or the Federal District through electronic or virtual means is restricted to individuals physically located within their jurisdictions.

§ 4. Multijurisdictional exploitation of state, municipal, and district lottery services and the commercialization of lottery modalities are prohibited. There shall be no association, participation, agreement, sharing, representation, contracting, subcontracting, or any other arrangement, whether onerous or gratuitous, directly between States or Municipalities or through intermediaries, with the objective of exploiting lotteries, including foreign lotteries, through physical, electronic, digital channels, or carrying out support processes for this business.

§ 5. Multijurisdictional, for the purposes of § 4, refers to the exploitation of lotteries that cover the territory and population physically located within the boundaries of more than one federative entity.

§ 6. States, Municipalities, and the Federal District shall account for the resources allocated, respectively, to the state or municipal audit courts and the Federal District Audit Court. (NR)

Article 4. The following shall be immediately archived:

I - unresolved denunciations and administrative supervisory proceedings that definitively ascertain infractions of the provisions of Article 1, Article 1-A, and Article 4 of Law No. 5,768, of 1971, regarding promotional campaigns that distribute prizes for free and drawings of up to R\$ 10,000.00 (ten thousand reais);

II - accountability proceedings involving the free distribution of prizes and drawings of up to R\$ 10,000.00 (ten thousand reais); and

III - proceedings for which authorizations have been granted by Caixa Econômica Federal (Federal Savings Bank).

Sole Paragraph. The proceedings referred to in the caput may be reopened if there are denunciations involving the authorized promotions.

FINAL AND TRANSITIONAL PROVISIONS

Article 5. The following commission positions and trust positions are created within the organizational structure of the Ministry of Finance:

I - one CCE 1.17;

II - four CCE 1.15;

III - ten FCE 1.13;

IV - twenty-four FCE 1.10;

V - twenty-two FCE 1.07;

VI - one FCE 2.07; and

VII - eighteen FCE 1.05.

Sole paragraph. The creation of the positions referred to in Article 6 of this Law will only take effect from the date of entry into force of the amendment to the Decree approving the Regulatory Structure and the Demonstrative Chart of Commission Positions and Trust Positions of the Ministry of Finance and reallocating commission positions and trust positions.

Article 6. The following are revoked:

I - Articles 1 and 32 of Decree-Law No. 204, of February 27, 1967;

II - the sole paragraph of Article 3 of Law No. 5,768, of 1971;

III - of Provisional Measure No. 2,158-35, of August 24, 2001:

a) paragraphs 2, 3, and 4 of Article 50; and

b) Annex II; and

IV - item IV of the caput of Article 30 of Law No. 13,756, of 2018; and

V - Law No. 14,455, of September 21, 2022.

Article 7. This Provisional Measure enters into force on the date of its publication and has the following effects:

I - with respect to Article 3:

a) the part that adds item VI to the caput of Article 30 of Law No. 13,756, of 2018, as of the first day of the fourth month following its publication; and

b) the part that adds item I and item VII to the caput of Article 35-C of Law No. 13,756, of 2018, as of the date of the entry into force of the Ministry of Finance regulation that allows interested parties to submit authorization requests to the regulator.

II - with respect to item IV of Article 6, as of the first day of the fourth month following its publication; and

III - on the date of its publication, for the other provisions.

Brasília, ...

Document electronically signed by SIGNATORY'S NAME