



# *Latin America:*

**The new epicenter of  
global *online gaming*  
and *gambling growth***



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## Latin America:

The new epicenter of global online gaming and gambling growth

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# KEY



## **ARPU (Average Revenue Per User):**

The average income generated by each active user on a platform or service over a given period. It's an indicator of monetization and the individual value of the user.

## **Cash-in / Cash-out:**

Cash-in refers to the transfer of money from the user to the platform (e.g., deposits or top-ups).

Cash-out refers to the withdrawal of money from the platform to the user (e.g., winnings or available balances).

## **KYC (Know Your Customer):**

An identity verification process required by financial regulators to prevent fraud and money laundering. It includes validation of documents, personal data, and user activity.

## **Tokenización:**

A security technique that replaces sensitive data (such as card numbers) with unique identifiers that have no intrinsic value, enabling secure transactions without exposing actual user information.





### **MCC (Merchant Category Code):**

A numeric code that classifies a merchant's business activity for issuing banks. Codes related to gambling may be sensitive or blocked by certain financial institutions.

### **AML (Anti-Money Laundering):**

A set of regulations and procedures aimed at preventing the use of the financial system for illicit purposes, such as money laundering.

### **PSP (Payment Service Provider):**

A payment service provider that connects digital merchants with multiple collection and payout methods, integrating processing, security, and regulatory compliance.

### **CAGR (Compound Annual Growth Rate):**

A metric that shows the average rate at which a variable (such as revenue or users) has grown—or is expected to grow—over a set period, assuming constant, compounded growth year over year.

# TERMS



# INTRO DUCTION

For years, **Latin America was seen as a peripheral region in the global online gaming industry:** mentioned at conferences, but rarely prioritized in the expansion roadmaps of major operators. That has radically changed.

Today, the region is emerging as one of the most promising bets worldwide:

Regulatory  
openness

Powerful mix of  
digital growth

Technological  
adoption

and a young, connected, and online-active population.

**As European and North American markets mature** —*accompanied by increasingly restrictive regulatory environments and competitive saturation*—, **the industry's attention has shifted toward developing markets.** And here, **Latin America has raised its hand boldly.**

**Colombia was a pioneer in establishing a federal regulatory framework following the European style,** followed by ambitious initiatives in **Mexico, Brazil, Peru, Chile,** and, to a lesser extent, **Argentina.** This wave of regulation has opened the door to *operators, technology providers, fintechs, and payment methods,* all seeing the region as fertile ground for profitable and scalable business models.



Beyond the numbers, what makes Latin America so attractive is its diversity. It is not a homogeneous region: highly regulated federal markets coexist with others still in their early stages or operating under state monopoly models.



**This complexity presents both challenges and opportunities** and requires a deep understanding of the landscape to compete successfully.

In the following sections, we will explore in detail the online gaming ecosystem in five key regional markets:

**Mexico** 🇲🇽

**Colombia** 🇨🇴

**Peru** 🇵🇪

**Chile** 🇨🇱

**Brazil** 🇧🇷

We will analyze their regulatory frameworks, market penetration, user habits, and digital payment dynamics to offer a clear picture of the industry's present and future in Latin America.

# 01

*The gambling market in Latin America: Steady growth, digital users, and high value per player*

Projected revenues, ARPU, number of users, and regional penetration rate.

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**Latin America** is no longer just a promise in the gambling industry: **it's a reality in expansion.** Economic and demographic indicators confirm it. **The online gambling market** —*which includes verticals such as sports betting, virtual casinos, lotteries, and bingo*— **shows consistent growth, both in revenue and number of users,** positioning it as one of the highest-potential regions in the world.

According to *Statista Market Insights*, the total market value in **the region will reach USD 41.59 billion in 2025**, with a growth projection to **USD 47.73 billion by 2029**, driven by a **compound annual growth rate (CAGR) of 3.5%** While this figure is still far from consolidated markets like the United States (*over USD 121 billion*), it represents a significant acceleration for a region that, until a few years ago, lacked solid regulatory frameworks.

## Gambling – Revenue



Source: Statista Market Insights.

One of the key drivers behind this **growth is the increasing number of online players**. It is estimated that the region will have **more than 90 million active users by 2029**, starting from a solid and growing base. This figure reflects not only the increase in digital adoption, but also the effectiveness of emerging regulations that allow licensed operators to enter the market with greater security.

Additionally, the projected **ARPU** (*Average Revenue Per User*) for **2025 is USD 413.82**, a figure that stands out compared to other digital industries in the region, such as streaming or e-commerce. This suggests a higher level of monetization and a more transaction-intensive user type, with recurrent and transactional gambling habits.

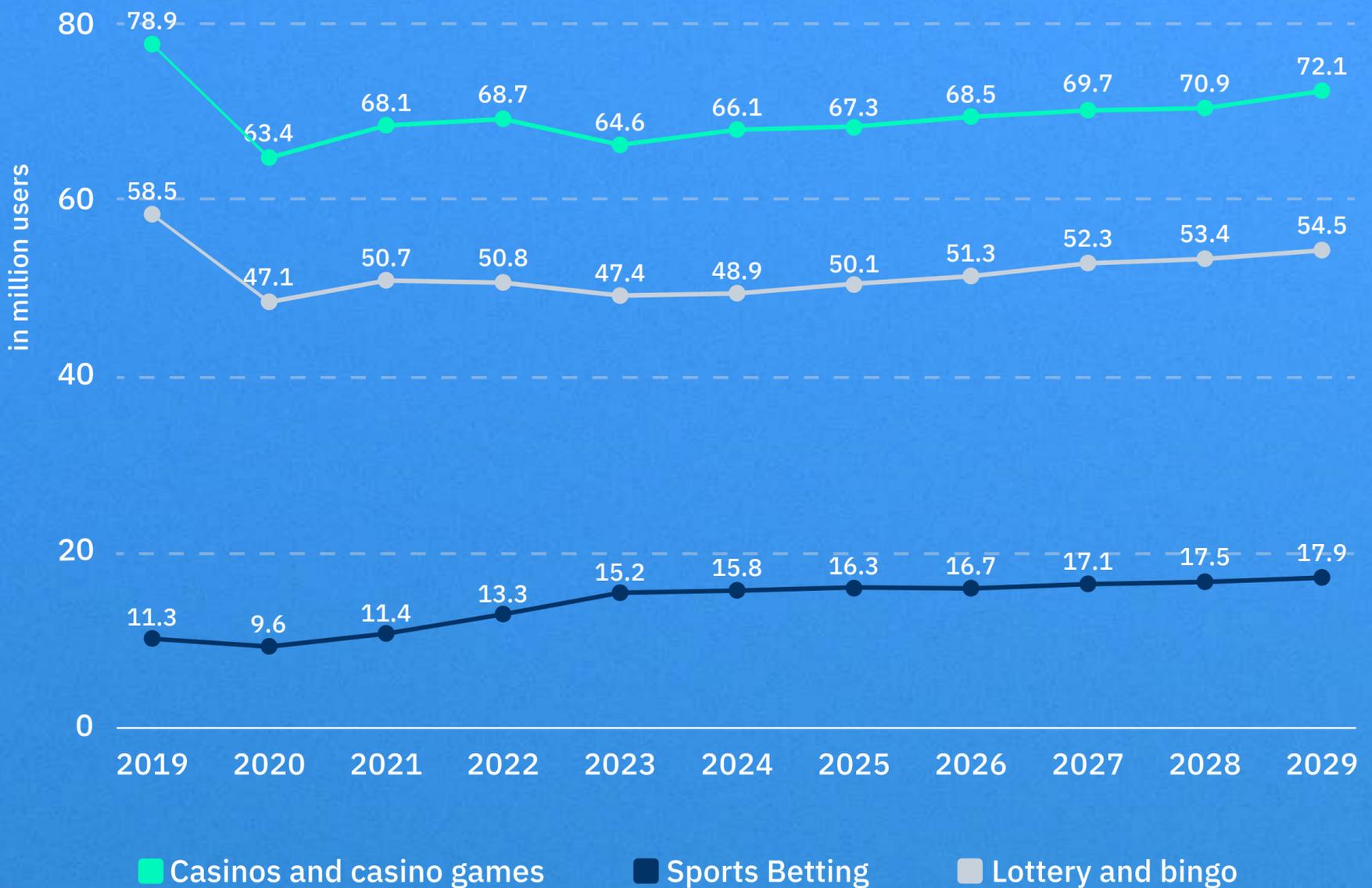
### Gambling – Average Revenue per User



Source: Statista Market Insights.

Moreover **user penetration** is projected at **13,3%** for **2025**, indicating that there is still significant room for growth compared to more mature markets, where this percentage exceeds **25%**. This gap opens up major opportunities for operators capable of attracting **new Latin American digital users** with secure, agile, and locally-adapted experiences.

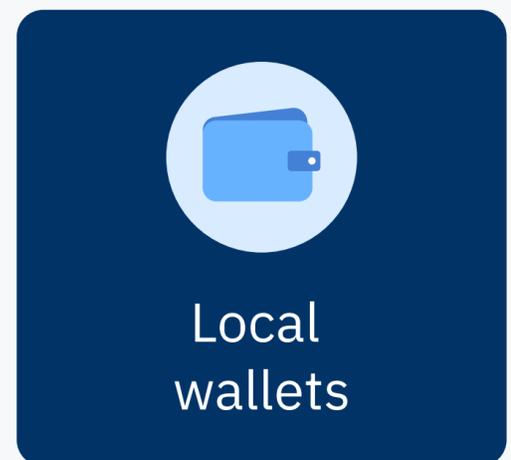
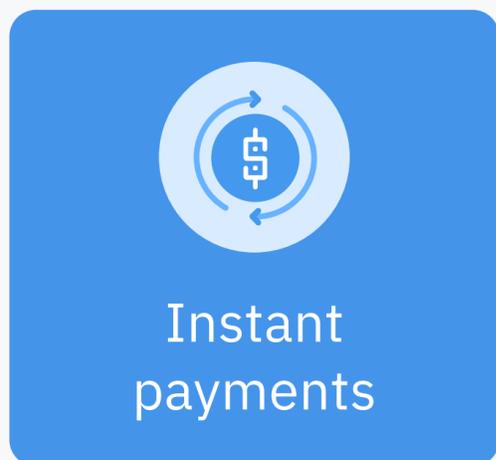
### Gambling - Users



Source: Statista Market Insights.



Beyond the figures, the gambling ecosystem in LATAM is increasingly linked to the digital transformation of payments. The advancement of solutions such as:



are key pieces to sustaining the sector's growth.

# 02

## *Online gambling regulation in LATAM: A legal mosaic in progress*

Regulatory models, existing frameworks, and country-by-country developments.



Online gambling regulation in Latin America is in full evolution. Far from having a unified approach, **the region presents a complex patchwork of regulatory models that vary significantly from country to country.** From open federal schemes to fragmented provincial frameworks and state monopolies, understanding this diversity is essential for any player seeking to operate in the region.

Below is a country-by-country breakdown of the main Latin American markets:

### Comparative table of online gaming regulations in LATAM

Country	Regulatory Model	Current Status	Regulator	Key Trends
COL 	Open national licenses	Fully regulated since 2016	Coljuegos	Operator growth, vertical expansion
MX 	Federal regulation with legal gaps	Ambiguous legal framework with outdated permits	SEGOB	Reform pending to modernize legal framework
CL 	Not regulated (bill in progress)	Only state lotteries can legally operate	Superintendencia of Casinos (proposed)	New law includes licenses and fiscal controls
PE 	National regulation (recent)	Regulation approved in 2023, currently being implemented	MINCETUR	Requirements for operators, providers, and PSPs
BR 	Federal regulation approved in 2023	Law passed, regulation in early stages	Secretariat of Prizes and Bets	Largest potential for users and revenue

Online gambling regulation in Latin America reflects the region's **political, legal, and operational diversity**. While countries like **Colombia**, already operate under solid and mature frameworks, others, such as **Mexico and Chile** are in legal modernization or pending reforms. **Peru**, meanwhile, has made a major leap forward by implementing a comprehensive regulation in record time, and **Brazil** has awakened as the largest market on the continent following the approval of its federal law. In contrast, **Argentina** maintains a fragmented system of provincial licenses.



This legal mosaic presents challenges for operators looking to scale regionally but also offers significant opportunities for those able to adapt with flexibility and local insight. The trend, however, is clear: **the region is moving toward greater formalization, fiscal control, user protection, and regulated competition.**



For players in the ecosystem —*from operators to fintechs, PSPs, and tech developers*—, **understanding this landscape** and anticipating upcoming regulatory steps is not just useful: it is **essential for sustainable growth** in an industry that is becoming increasingly strategic for Latin America.

In the next sections, we'll dive into the specifics of each country. We'll examine their **current regulatory frameworks, ongoing reforms, permitted verticals, and how these factors are shaping the operations of the gambling and gaming ecosystem**. This individual analysis will help highlight not only market differences but also the strategic opportunities each one represents.

# 03

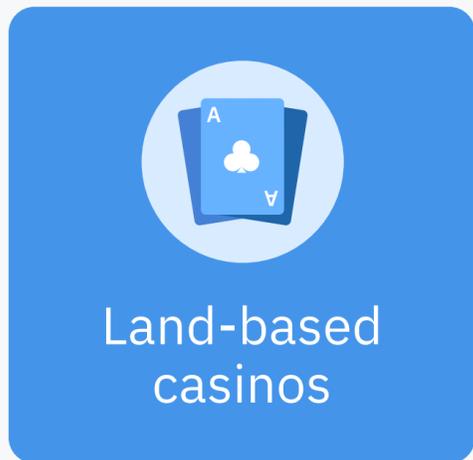
## *From land-based casinos to digital gambling: The transformation of gambling in Latin America*

Accelerated transition to digital channels, user preferences, and new operating models.



Gambling in Latin America is undergoing a major transformation.

Traditionally dominated by:

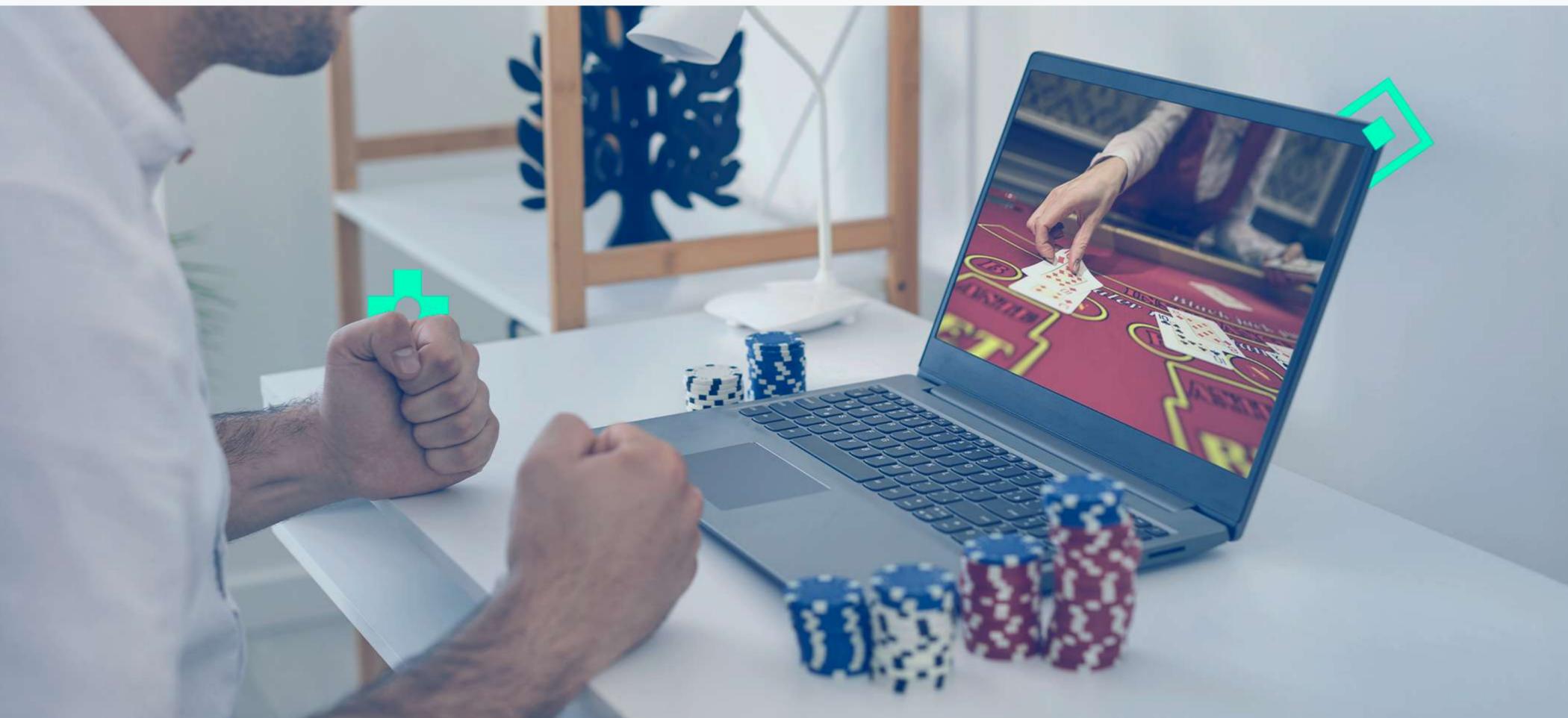


the industry is shifting toward the digital world, driven by regulatory, technological, and cultural factors. The region is in the midst of a marked transition: from cash to wallets, from printed tickets to digital slips, from physical venues to remote and mobile entertainment.



According to *Statista*, the **online channel** already represents a significant share of total gambling revenues in the region. While a strong presence of physical gambling remains —*especially in*

*countries with tourism infrastructure and well-established casinos—, **digital platforms** are gaining ground year after year, particularly among younger users and in countries with evolving regulatory frameworks like **Colombia, Brazil, Peru and Mexico.***



This migration to the digital realm isn't just about convenience. It also responds to a **demand for personalized, 24/7, secure, and fast experiences** that only the online environment can provide. The ability to place bets from a mobile device, in real time, using locally adapted payment methods, **has created an agile ecosystem that breaks down the geographic and time-based limitations of traditional gambling.**



Moreover, the online environment allows operators to:



Implement **fraud prevention and identity verification** systems.



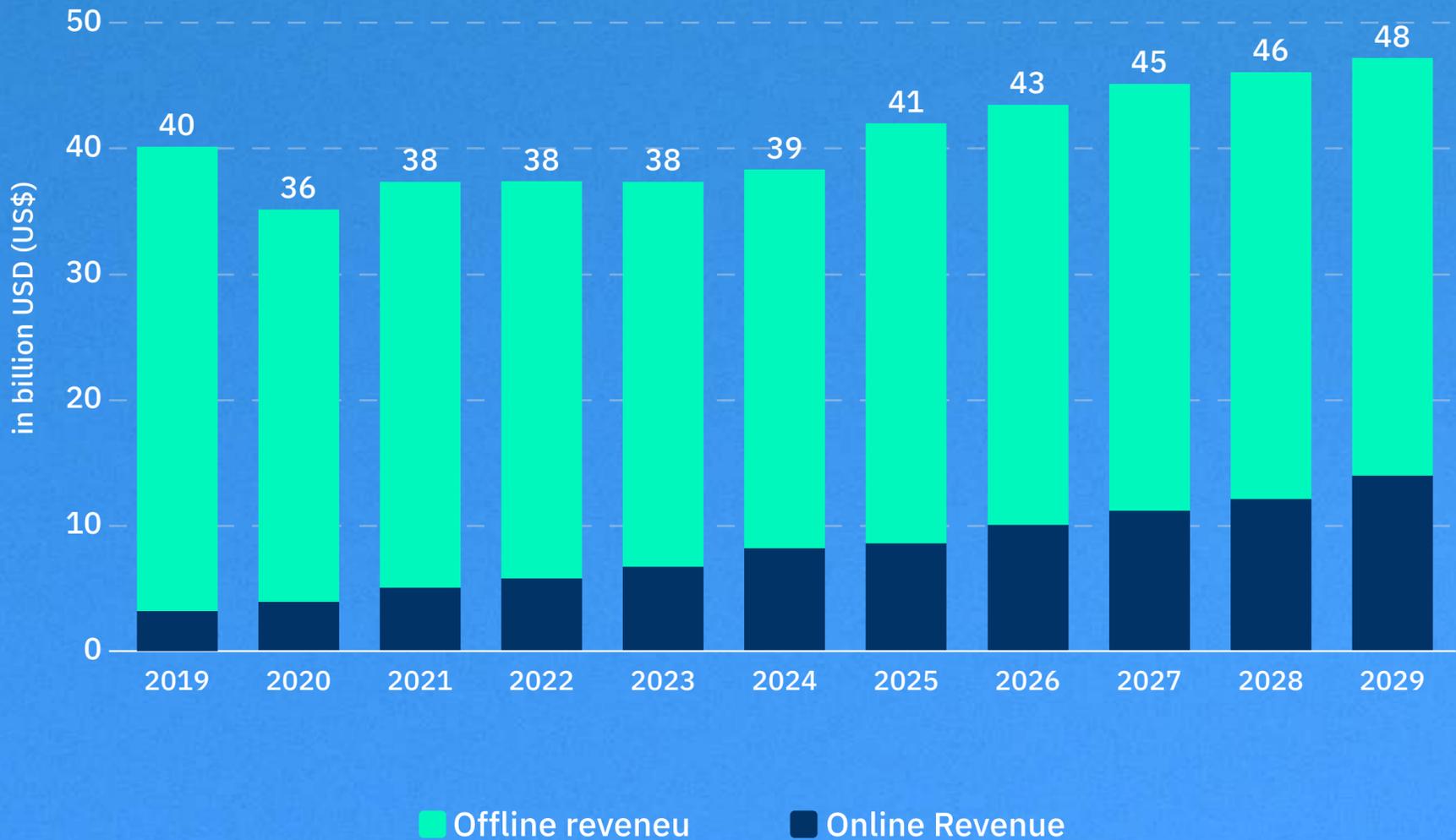
Enhance platforms using **business intelligence and predictive analytics**.



Integrate **local digital payment methods** such as SPEI, PSE, wallets, and card payments.

These capabilities have led to a **significant improvement in conversion and retention rates** and have enabled better segmentation of the Latin American user base, whose preferences vary by country, but who **consistently seek immediacy, security, and simplicity**.

## Gambling - Online & Offline Revenue Split



Source: Statista Market Insights.

### The impact of digitalization on payment methods

Unlike other regions, **cash still plays a relevant role in LATAM.** However, it is rapidly being replaced by *instant transfers, debit/credit cards, and wallets*, thanks to accelerated financial inclusion and fintech-driven innovation.



In this context, **Payment Service Providers (PSPs)** play a key role: they connect operators with users, ensure transaction traceability, enforce regulatory compliance (KYC/AML), and optimize payment conversion. Therefore, the shift from *offline to online* is not just a channel change.

It's a **structural transformation of the gambling business model in Latin America**, where technology, regulation, payments, and user experience converge to define the next generation of market leaders.

# 04

## *Mexico: A powerhouse in transition: Industry Innovation Facing Outdated Legislation*

High value per player, an ambiguous legal framework, and a market ready for modernization.

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Mexico is one of the largest and most complex gambling markets in Latin America. Its population size, level of financial inclusion, cultural affinity with sports betting, and rapid digitalization make it a high-potential country operating in a still uncertain legal environment.

## 01 Overview of the Mexican Market

- **Market value (2025):**  
~USD 6.8 billion (*Statista estimate*)
- **ARPU (Average Revenue Per User): USD 460.88**
- **Estimated users (2025): ~14 million**
- **Penetration rate: 11,3%**, with a growing trend through 2029

This **ARPU** level makes **Mexico one of the highest-value markets** in the region, outperforming the LATAM average. The most active verticals include **online sports betting** especially during **football and boxing events**, followed by **slots and live casino games**.

## 02 Regulatory Framework

- **Model:** Federal regulation with legal gaps.
- **Regulator:** Secretaría de Gobernación (SEGOB).
- **Current status:** Operators function under **old permits** from the 1947 Federal Gaming and Raffles Law.
- **Trends:** Legislative pressure is mounting to modernize the law and create a specific framework for online gaming.

Although **Mexico doesn't yet have a modern regulation for digital gambling**, authorized operators have managed to work in a "gray legal zone", leveraging inherited permits and agreements with physical casinos.

## 03 Mexican User Behavior

- **Main device:** Mobile (*over 70% of online betting traffic*).
- **Top verticals:** Sports betting, online slots, live roulette.
- **User patterns:** High participation during major sports events; increasing interest in tournaments and digital promotions.

Mexican users value **bonuses, fast withdrawals, and real-time payments**, which has pushed operators to improve their tech stack and UX.

## 04 Payment Methods 🇲🇽 : Challenges and Opportunities

According to Statista and digital payment behavior reports, the **most used digital payment methods for e-commerce** and expected leading options by 2030 are:

Payment Method	2019	2020	2021	2022	2023	2024	2030
 Credit Card	33%	29%	35%	33%	33%	34%	30%
 Mobile Wallets	20%	27%	27%	27%	28%	28%	37%
 Debit Card	-	-	-	-	-	22%	16%
 Cash	11%	8%	3%	3%	2%	9%	4%

Meanwhile, the most commonly used methods at **physical points of sale**, are the same, but with different usage percentages:

Payment Method	2019	2020	2021	2022	2023	2024	2030
 Cash	71%	45%	41%	39%	38%	35%	31%
 Credit Card	13%	17%	22%	24%	24%	27%	25%
 Debit Card	-	-	-	-	-	25%	22%
 Mobile Wallets	2%	4%	7%	10%	11%	11%	20%

## Financial inclusion in Mexico: A transformation in progress

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The high use of cash in Mexico has long been linked to **low financial inclusion**. For years, over half the population lacked access to a bank account, especially in rural and low-income areas. This was worsened by **low financial literacy**, which made it difficult for people to understand and use formal financial services.



However, that reality is changing. Although cash is still the most used payment method, its use has dropped significantly: from **76% in 2017** to a **projected 31% in 2030**.

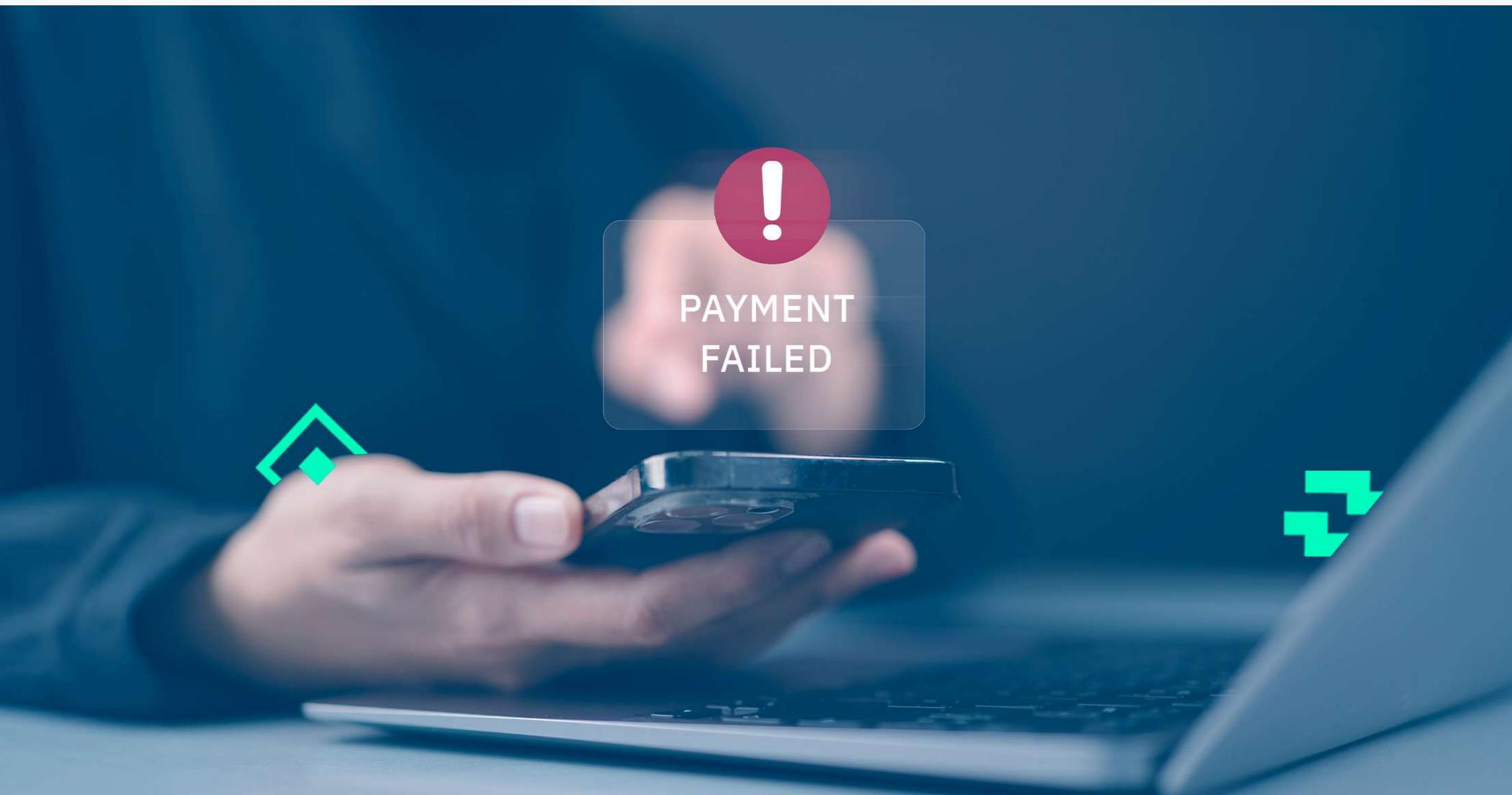
This decline is a clear reflection of advances in **financial inclusion, digitalization, and technological innovation**, which are driving a cultural shift in a country where cash had long dominated due to inertia and a lack of accessible alternatives.

## Current challenges:

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- **High card rejection rates:**

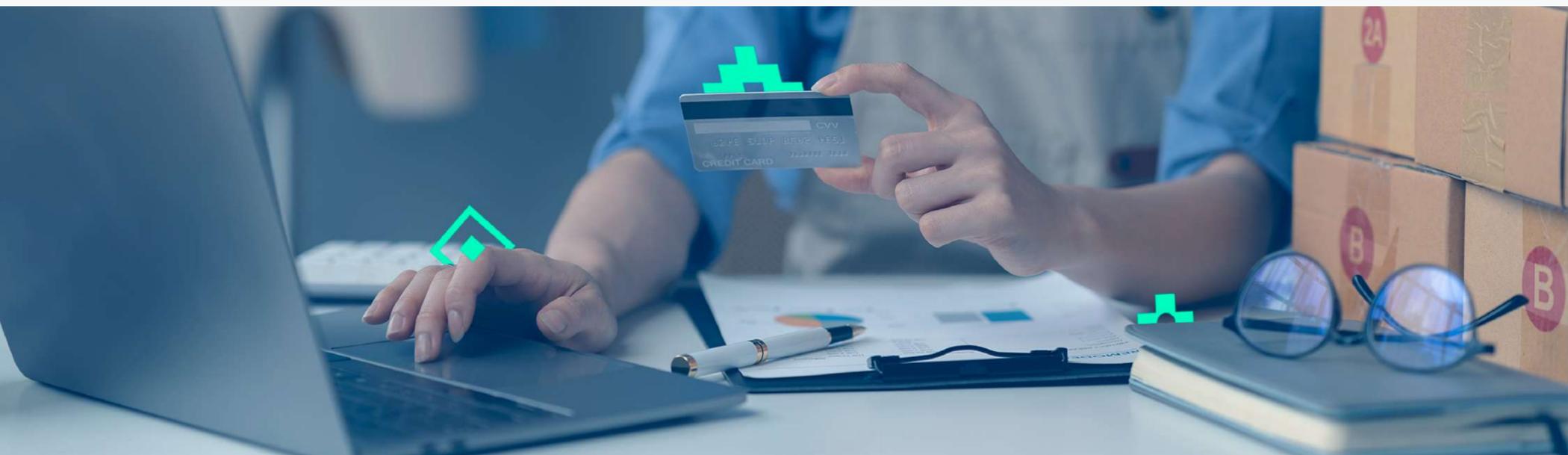
In Mexico, **credit and debit card transactions** on online betting platforms **be declined due to issuer bank security policies**. These policies, aimed at preventing fraud, can block gambling related transactions even if they are legitimate. Additionally, common issues such as insufficient funds or incorrect card information also contribute to declines.





- **Delays in withdrawals (*cash-out*):**

Processing times vary. **Wallets and crypto offer faster withdrawals, while bank transfers or card payouts can take 3–5 business days**, causing frustration for users expecting immediate access to winnings.



- **Identity verification (*KYC*) issues:**

Gambling platforms must verify users to **prevent money laundering and ensure security**. But these processes can be slow and complex, especially when users fail to submit the required documents on time, leading to account blocks or withdrawal delays.

- **Withdrawal method limitations:**

**Popular deposit methods** like OXXO are often **not available for cash-outs**, forcing users to rely on bank transfers or e-wallets, which may not be as convenient or familiar.





## Key opportunities:

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Based on Statista's payment insights, a strong opportunity for operators lies in offering a **wide variety of real-time digital payment and withdrawal options**, along with best practices like:

- **Fast cash-outs** (*Card Payouts, instant transfers*) boost retention.
- **User tokenization** reduces friction in repeat transactions.
- **Integration with local systems** (e.g., SPEI in Mexico) improves conversion rates.

These practices also align with strategies promoted in countries with advanced regulation.

## 05 What are operators looking for in Mexico? 🇲🇽

- **Regulatory clarity** that allows them to operate without legal ambiguity.
- **High approval rates**, especially for cards and instant transfers.
- **End-to-end solutions** that include onboarding, fraud prevention, payments, and withdrawals.
- **Unified platforms** integrating SPEI, cards, wallets, and cash options.



**Mexico is at an inflection point.** It has the critical mass, user value, and market appetite—but needs to modernize its legal framework and solve payment frictions to take the next leap. For **PSPs and tech allies**, this is fertile ground, where gaining positioning today defines tomorrow’s leadership.

# 05

## *Colombia: From pioneer to role model: How Colombia set the path for online gambling in LATAM*

Robust regulation, mature operators, and a well-functioning ecosystem.



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Colombia was the first country in Latin America to comprehensively regulate online gambling. While other markets were still debating legal gray areas or fragmented models, Colombia already had a robust legal framework, licensed operators, and a growing digital ecosystem. Today, it's viewed as the **regional success story** and a replicable model for other jurisdictions.

## 01 Overview of the Colombian Market

- **Market value (2025):**  
~USD 2.32 billion
- **ARPU (Average Revenue Per User):** USD 305.81
- **Estimated users (2025):** ~7 million
- **Penetration rate:** 12.2%, with steady growth.

Although Colombia's **ARPU** is lower than Mexico's, **the country stands out for its high digital adoption and consolidation as a legally mature market**, attracting both operators and tech investors.

## 02 Regulatory framework

- **Model:** Federal, with open licenses for local and international operators.
- **Regulator: Coljuegos,** under the Ministry of Finance.
- **Current status:** Fully regulated since 2016.
- **Trends:** Expanding permitted verticals and strengthening compliance controls.

Colombia allows sports betting, casino games, bingo, online poker, and other verticals, as long as the operator holds a license. The regulation also mandates player protection and anti-money laundering (AML/KYC) controls.

## 03 Colombian user behavior

- **Top verticals:** Sports betting (*especially football*), slots, and roulette.
- **Devices used:** Majority mobile (*over 65%*), though desktop is still strong in urban areas.
- **User patterns:** Digital-savvy users who value trust, fast payments, and recurring promotions

Regulatory maturity has resulted in a **more sophisticated user base**, with clear expectations for experience and security.

## 04 Payment methods in Colombia 🇨🇴: Between tradition and digital transition

Although **cash usage had dropped** significantly in 2020, it saw a resurgence in 2021 for **in-store payments**. This shows that, despite digital advances, **cash remains essential** for a large part of the population.

Still, the steady rise in **credit and debit card use** points to a gradual shift in habits, potentially replacing cash in the near future. Even before the pandemic, Colombia was progressing in this area, **ranking 64th out of 144 countries in credit card penetration** ahead of countries like *Bulgaria and Hungary*.



Currently, the **most commonly used payment methods for e-commerce or online**, purchases differ significantly from those in Mexico, with **A2A transfers becoming the most popular method since 2024**.

Payment Method	2019	2020	2021	2022	2023	2024	2030
 A2A Bank Transfers	-	-	-	23%	25%	28%	38%
 Digital wallets	12%	13%	14%	17%	18%	26%	34%
 Credit Cards	42%	32%	35%	29%	27%	22%	14%
 Debit Cards	-	-	-	-	-	14%	8%

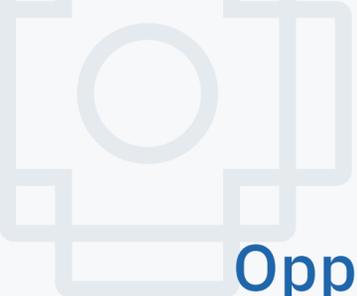
In the case of **payment methods for the physical channel**, cash still holds a significant share, closely followed by credit cards.

Payment Method	2019	2020	2021	2022	2023	2024	2030
 Cash	78%	34%	42%	36%	34%	33%	24%
 Credit Cards	12%	24%	25%	26%	26%	26%	23%
 Debit Cards	-	-	-	-	-	22%	17%
 Digital wallets	2%	5%	7%	9%	11%	18%	32%

## Current challenges:

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- Occasional card rejection due to issuer policies.
- Slow cash-out processes in some platforms.
- Fragmentation between PSPs and operators.



## Opportunities:

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- Real-time cash-in and cash-out integration.
- Automated identity verification flows.
- Recurring tokenization of cards and accounts.

### 05 What are operators looking for in Colombia? 🇨🇴

- **Robust connectivity** with PSE and local wallets.
- **High technical** availability and uptime.
- Payment ecosystems are **fully compliant with Coljuegos requirements**.
- **Solutions that speed up cashouts** and reduce friction.

Colombia is the most advanced example of how a country can **successfully regulate online gambling**. It has built a regulated, competitive, and sustainable environment, where both operators and fintechs can scale with legal certainty. It's undoubtedly **the most stable market in the region** and a beacon for expansion across Latin America.

# 06

## *Peru: A well-regulated newcomer: Solid foundations and strong digital potential*

Modern law, swift implementation, and  
expanding digital opportunities.



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Peru has gone from being an unregulated market to one of the most promising new players in Latin America's online gambling scene. With the approval of a specific law in 2023 and its regulation taking effect in 2024, the country has begun granting licenses to operators, tech providers, and payment gateways. This legal foundation—combined with a growing digital culture and a young, banked user base—gives **Peru a very favorable outlook.**

## 01 Overview of the Peruvian Market

- **Market value (2025):**  
~USD 1.27 billion
- **ARPU (Average Revenue Per User):** USD 304.09
- **Estimated users (2025):** ~4,2 million
- **Penetration rate: 12,8%**, with high mobile adoption and growing steadily

Though it's a smaller market in volume, Peru stands out for its **rápida digitalización**, the growth of its fintech sector, and the agility with which it has embraced the new regulatory framework.

## 02 Regulatory framework

- **Model:** National, modern, and open regulation.
- **Regulator: (Ministry of Foreign Trade and Tourism)**  
(*MINCETUR*).
- **Current status:** Law approved in 2023; operators must obtain a license to operate legally.
- **Key features:** The framework requires licenses for:
  - Gambling operators
  - Technology platforms
  - Payment providers
- **Trends:** A wave of formalization is expected between 2024 and 2025, with increased oversight and compliance enforcement.

## 03 Peruvian user behavior

- **Top verticals:** Sports betting, slots, live blackjack.
- **Devices used:** Mobile phones and apps.
- **User patterns:** Young, banked, and digital-first. High responsiveness to promotions and flexible payment methods.

Peruvian users especially value **platform security**, ease of payment and withdrawal, and compatibility with local wallets.

## 04 Payment methods and local challenges

### Most used payment methods:

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- Debit and credit cards
- PagoEfectivo
- Bank transfers
- Yape and Plin (*popular local wallets*)
- Cash at physical points (*agents, pharmacies*)

### Current challenges:

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- Limited integration between local wallets and gambling platforms.
- Slow cashout processes in many operators.
- User distrust toward new or unfamiliar sites.

## Key opportunities:

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- Integrate Yape/Plin and PagoEfectivo into 100% digital experiences.
- Enable instant CashOuts via Card Payouts.
- Improve frictionless identity validation (eKYC).

## 05 What are operators looking for in Peru? 🇵🇪

- A local PSP that understands the **MINCETUR framework and operates in full compliance.**
- Localized, smart **antifraud solutions**
- **Instant payments and withdrawals** via wallets and banks.
- **Scalable infrastructure**, as accelerated growth is expected.

Peru is the most recent example of how strong regulation can open a market. Its integrative approach, which includes all ecosystem players, makes it a fertile ground for technological, financial, and operational development in digital gambling. With a growing user base and an increasingly clear legal landscape, **Peru is emerging as one of the most promising hubs in South America.**

## Comparative table: Mexico, Colombia, and Peru

Country	Market Value (USD, 2025)	ARPU (2025)	Estimated Users (2025)	Penetration (2025)
COL 🇨🇴	USD 6.8B	USD 460,88	~14 millions	11,3%
MX 🇲🇽	USD 2.32B	USD 305,81	~7 millions	12,2%
PE 🇵🇪	USD 1.27B	USD 304,09	~4.2 millions	12,8%

Country	Regulatory Model	Regulator	Status	Popular Payment Mets.	Main Challenges
MX 🇲🇽	Federal, legal gaps	SEGOB	Old permits, no online-specific law	Cards, SPEI, OXXO cash, wallets	Card rejections, slow CashOut
COL 🇨🇴	Federal, open licenses	Coljuegos	Fully regulated since 2016	PSE, Nequi, Daviplata, cards	PSP fragmentation, inconsistent cashout
PE 🇵🇪	National, modern, in rollout	MINCETUR	Law approved in 2023, ongoing implementation	PagoEfectivo, Yape, Plin, cards, cash	Wallet integration, identity validation

# 07

## *Chile: One step away from legalization: Preparing the ground for a new online gambling*

Strong demand, regulation in progress, and a market already in motion.

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Chile is at a pivotal moment in its online gambling industry. Unlike countries like Colombia or Peru, which already have established regulatory frameworks, Chile still **operates under a legal model that prohibits online gambling by locally incorporated entities**, except through state monopolies like Polla Chilena de Beneficencia or Lotería de Concepción.

However, regulatory changes related to cross-border payments by the Central Bank of Chile and **a pending bill** could completely reshape the landscape, opening the door to private operators, greater competition, and a more robust and transparent ecosystem.

## 01 Overview of the Chilean Market

- **Market value (2025):**  
~USD 1.6 billion
- **ARPU (Average Revenue Per User):** USD 422.11
- **Estimated users (2025):** ~3,8 million
- **Penetration rate: 12,5%**, with most active users in sports betting and casino games.



Despite the lack of clear regulation, strong user demand has driven the growth of international operators that operate from abroad without formal authorization in the country.

## 02 Regulatory framework

- **Current model:** General prohibition for companies incorporated in Chile, except for state-run operators.
- **Transitioning framework:** Cross-border payment regulation now allows acquirers to evaluate the legality of affiliated merchants based on their country of origin. Pending bill (2022–2024) proposes a regulated licensing system.
- **Proposed regulator:** Superintendence of Casinos (to expand its mandate).
- **Current status:** The bill is under legislative debate, with pressure to approve it before 2026.

### The new law would establish:

- Licenses for private operators.
- Taxation on winnings.
- Player protection measures (responsible gambling).
- Anti-fraud and anti-money laundering protocols.

## 03 Chilean user behavior

- **Top verticals:** Sports betting (*especially local and European football*), slots, roulette, and card games.
- **Preferred channels:** Mobile-first, with strong app adoption.
- **User profile:** Young, digital-native, UX-sensitive, and highly responsive to promotions and fast withdrawals

Despite the lack of formal regulation, Chilean users already show consolidated behavior on international platforms.

## 04 Payment methods and local challenges

### Most commonly used methods:

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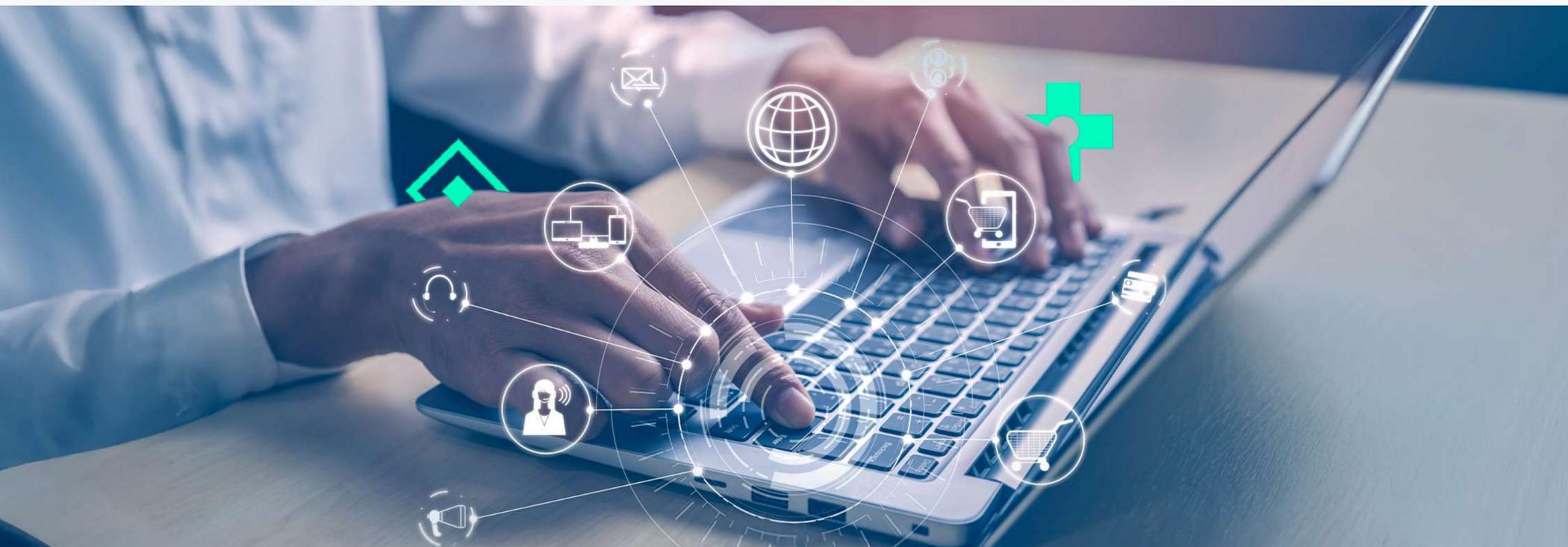
- Credit/debit cards.
- Bank transfers via WebPay.
- Cash via Servipag or Multicaja.
- Emerging wallets.



## Desafíos actuales:

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- Banking friction due to regulatory ambiguity.
- Difficulties verifying user identity and preventing fraud.
- Delays or blocks in cashouts from non-local operators.



## Key opportunities:

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- Integrate local payment methods with digital onboarding and fraud prevention.
- Accelerate cashouts using Card Payouts or instant transfers.
- Offer frictionless payment experiences as soon as the regulatory framework allows.

## 05 What are operators looking for in Chile? 🇨🇱

- A formal regulatory framework for stable operations.
- Local payment infrastructure with **high approval rates**.
- **KYC and identity verification** solutions with low friction.
- **Adaptation** to new tax and **player protection policies**.

**Chile stands at the threshold of a transformation.** It has the ideal user profile, latent demand, and operators ready to enter or formalize their presence. Once the law is approved, **Chile will become one of the most attractive markets in South America.** For financial and tech players, this is the moment to prepare, integrate, and position themselves ahead of the regulated boom.

# 08

## *Brazil: The giant awakens: Online gambling legalization redefines the LATAM Map*

Massive market, regulation approved, and a scenario that will redefine the region.

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 **KUSHKI** | 55

Brazil has long been the great promise of online gambling in Latin America. With over **210 million inhabitants**, a young and highly connected population, and a deep-rooted passion for sports—*especially football*—the market’s potential is immense. Now, after years of legislative debate, the country has officially begun regulating the sector, marking the beginning of a new era.

## 01 Overview of the Brazilian Market

- **Market value (2025): ~USD 13.13 billion**
- **ARPU (Average Revenue Per User): USD 418.70**
- **Estimated users (2025): ~20 million**
- **Penetration rate: 13,2%**, with strong growth expected through 2029.

Brazil is, without a doubt, **the largest market in LATAM** in terms of volume and user base. The population’s digital engagement, combined with its passion for sports betting, has created a very active informal ecosystem—now on the path to formalization.



## 02 Regulatory framework

- **Model:** Federal regulation, approved in 2023.
- **Regulator:** Secretariat of Prizes and Bets under the Ministry of Finance.
- **Current status:** Law passed, regulation in technical development phase (implementation between 2024 and 2025).

### The law includes:

- Mandatory licenses for operators with a local presence.
- National registry of bets and players.
- Tax obligations (12% on GGR).
- Requirements for security, responsible gambling, and compliance (KYC/AML).

## 03 Brazilian user behavior



- **Top verticals:** Sports betting (football, MMA, esports), online casinos, bingo.
- **Primary channel:** Mobile (90%).
- **Typical user:** Young, hyperconnected, influenced by social media influencers and aggressive marketing campaigns.

The high media exposure of gambling—such as sponsorships on football jerseys—has fueled rapid growth in popularity, even before formal legalization.

## 04 Payment Methods and local challenges

### Preferred payment methods:

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- PIX (the instant payment system by Brazil's Central Bank).
- Credit and debit cards.
- Digital wallets.
- Boleto Bancário (*declining, but still used*).



## Current challenges:

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- Integrating fast payments with secure verifications.
- Minimizing fraud without affecting user experience.
- Ensuring tax compliance and transaction traceability.

## Key opportunities:

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- Deep integration with PIX for both cash-in and cash-out.
- Automated payment solutions with smart routing and fraud detection.
- Platforms that unify payment, compliance, and analytics.

## 05 What are operators looking for in Brazil? 🇧🇷

- **A local partner** who understands the technical aspects of the new law.
- **Direct connectivity to PIX** for deposits and withdrawals.
- Tokenization and **seamless onboarding**.
- **Solutions tailored** to a hyperactive, demanding digital user.

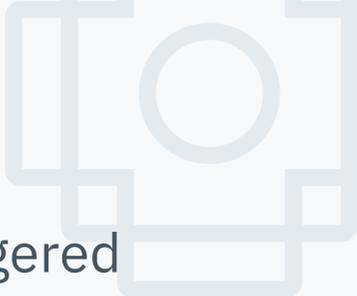
**Brazil isn't just another market—it's a whole new league.** Its size, technological maturity, and newly formalized regulation position it as the country that will redefine the gambling industry in Latin America. Operators who manage to enter quickly and solidly, and PSPs who can support them with localized, scalable solutions, will have a competitive advantage that's hard to beat.

# 09

## *Beyond the game: Challenges and opportunities for financial players in the gambling ecosystem*

Payment infrastructure, compliance, cashouts, and the role of PSPs and fintechs.





Behind every successful bet, every live play, and every triggered bonus lies a silent but critical network: the payment infrastructure. In the online gambling ecosystem, **payments are not just the end of a transaction** they are the user's entry point, the conversion trigger, and a cornerstone of regulatory compliance.

In Latin America, where financial inclusion is uneven, payment methods don't just enable access they determine whether a transaction happens or is lost.



## Key challenges for operators and PSPs

### 01 High card rejection rates

- Many issuers still block gambling-related transactions.
- The lack of MCCs (Merchant Category Codes) properly aligned with gambling complicates accurate transaction routing.

### 02 Lack of localized infrastructure

- Global PSPs often don't integrate local systems like SPEI (Mexico), PSE (Colombia), PIX (Brazil), or popular cash methods in each country.
- This directly impacts conversion funnels.

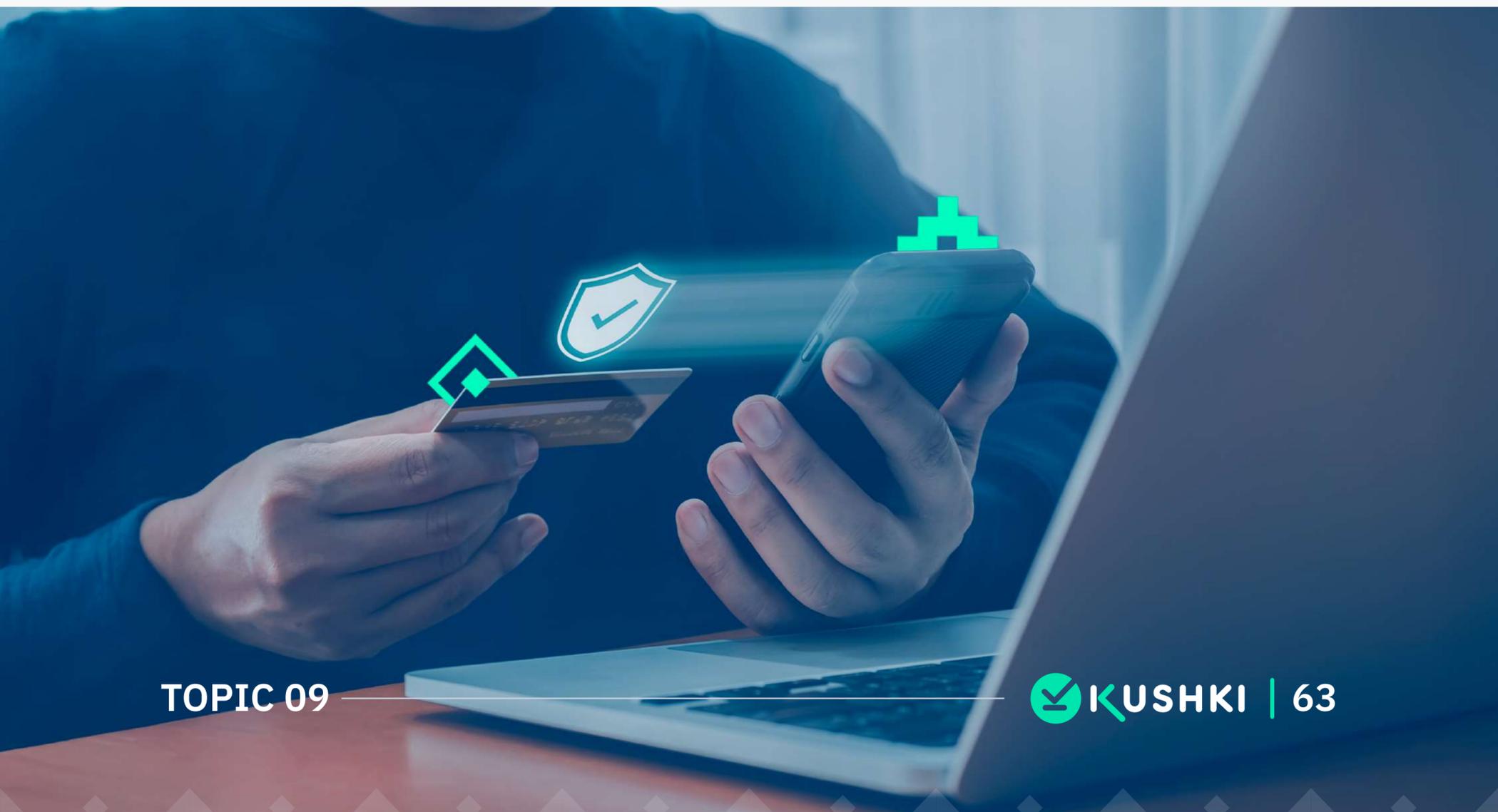


## 03 Compliance obligations

- Regulations such as KYC, AML, fraud prevention, and suspicious activity monitoring have become mandatory.
- Operators must work with partners that meet local and regional compliance requirements.

## 04 Cash-in / Cash-out imbalance

- While depositing funds (cash-in) is usually well supported, withdrawals (cash-out) to cards or bank accounts remain a pain point in many markets.
- Affecting the user's perception of safety and trust.





## Opportunities for tech and financial players

### 01 Integration of local payment methods

Adapting to each country's reality—such as SPEI in Mexico, PSE in Colombia, PIX in Brazil, or PagoEfectivo in Peru—offers greater reach, higher acceptance rates, and a seamless user experience.

### 02 Processing with local logic and smart fraud prevention

Through tools like smart routing, providers can significantly boost approval rates and protect merchants in real time.

### 03 Instant cash-out solutions

*(Card Payouts, A2A transfers, or wallet payments)*

These are key differentiators to retain the most active users, who expect instant liquidity after a gaming session.

### 04 Tokenization, identity verification, and data intelligence strategies

Predictive analytics and automated compliance are essential for scaling operations without compromising legal and regulatory requirements.

# 10

## *Conclusions and perspectives: Latin America, a region in play and expansion*

Regional patterns, strategic insights, and the region's leading role in the new era of global gambling.



Latin America is no longer the future promise of online gambling. It is a living, dynamic, and rapidly evolving market. Through its various regulatory rhythms, user habits, and economic frameworks, the region has established itself as **one of the most transformative and high-growth environments** in the global digital gambling industry.

## Regional takeaways

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- **Colombia** 🇨🇴: is the mature benchmark with comprehensive regulation, solid operators, and a loyal, banked user base.
- **Mexico** 🇲🇽: has the highest ARPU in the region, but it still operates under an outdated legal framework. A pending reform will be a turning point.
- **Peru** 🇵🇪: has moved forward with surgical speed, implementing a modern law that covers all parts of the ecosystem.
- **Chile** 🇨🇱: is on the verge of legalizing a market that already exists in practice, with enormous digital and financial potential.
- **Brazil** 🇧🇷: is the giant everyone's watching: regulation is in place, users are massive, instant payments are the norm, and adoption is unprecedented.

## LATAM country comparison summary

Country	ARPU (USD, 2025)	Estimated users (2025)	Penetration rate (%)	Regulatory model	Top payment methods	Main challenges
MX 🇲🇵	USD 460,88	~14M	11,3%	Federal with legal gaps	SPEI, cards, cash, wallets	Card rejections, slow CashOut
CO 🇨🇴	USD 305,81	~7M	12,2%	Federal, open licenses	PSE, tarjetas, Nequi, Daviplata	CashOut, PSP fragmentation
PE 🇵🇪	USD 304,09	~4,2M	12,8%	National, modern	PagoEfectivo, Yape, Plin, tarjetas	Wallet integration, rust
CL 🇨🇱	USD 422,11	~3,8M	12,5%	Proposed, in debate	WebPay, Servipag, tarjetas	Legal ambiguity, slow CashOut
BR 🇧🇷	USD 418,70	~20M	13,2%	Federal, law approved 2023	PIX, tarjetas, billeteras digitales	Fraud, tax compliance

## Cross-Regional trends

- **From cash to digital:** Adoption of methods like PIX, PSE, SPEI, Yape, and digital wallets proves that LATAM users are ready for a 100% digital experience, as long as it's simple, secure, and locally adapted.



- **Regulation as a growth driver:** Countries that have regulated online gambling haven't seen market shrinkage, but rather more formality, transparency, and sustainability. Well implemented regulation is a growth ally.
- **Payments as the core experience:** Beyond the games, the operator's ability to offer instant payments, smooth withdrawals, automated promotions, and anti-fraud processes defines conversion and retention.
- **Fintechs and PSPs as key players:** It's not just about enabling payments—it's about creating ecosystems of trust, compliance, and scalability. Local PSPs and fintechs that understand each country's nuances are in a privileged position.

## Future opportunities

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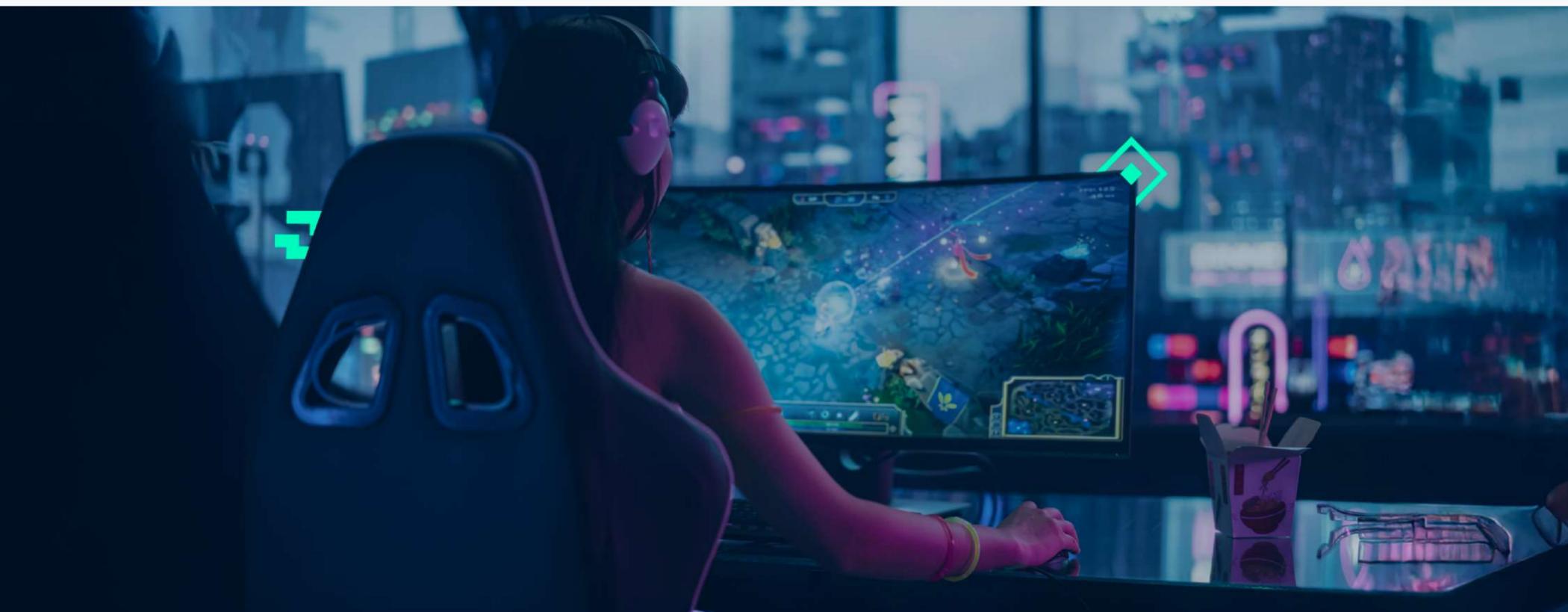
- **Growth of new verticals:** sports, fantasy sports, live casinos, and non-sport event betting.
- **Gamification** of payment methods and cross-loyalty programs with gaming platforms.
- **Partnerships between operators and fintech players** to integrate payments, digital identity, onboarding, and fraud prevention.
- **Positive regulatory enforcement** that boosts transparency, user protection, and state tax revenue.

In the face of this diverse landscape, payment providers with regional coverage, strong compliance, and technological adaptability will be key. In this context, Kushki positions itself as a strategic partner for the industry.

# 11

*Kushki at the center of the game:  
Secure and scalable payments  
for the LATAM industry*

Latin America has become a key growth focus for the online gambling industry, with projected revenues reaching USD 4.2 billion by 2026. In this context, Kushki emerges as a key ally, offering payment solutions tailored to the specific needs of this dynamic and regulated sector.



## Kushki's key features for the gambling industry

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- **Regional coverage:** Operates in multiple LATAM countries, enabling companies to process payments in local currencies with country-specific compliance and local tech support.

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- **PayIns and PayOuts solutions:** Support online and in-person collections (*POS available in Mexico*), and real-time payment dispersion to users.
  - **Simple, robust integration:** Offers an API for fast, secure integration, adaptable to operators, PSPs, and payment orchestrators.
  - **Security and compliance:** Features antifraud tools like 3DS and OTP, with PCI certifications and approvals for high-risk industries, ensuring both secure transactions and regulatory compliance.
  - **High acceptance rate:** Records an acceptance rate above 70%, improving conversion and user experience.



## Additional benefits

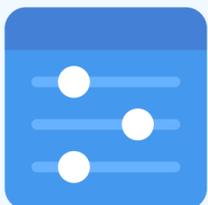
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**Projected growth:** The LATAM gaming & gambling market is expected to grow 18% by 2028, and Kushki is ready to support this with scalable solutions.

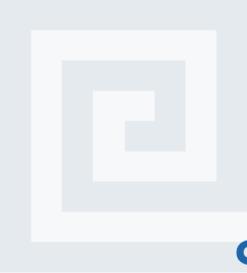


**Co-marketing and direct partnerships:** Build close relationships with brands, offering co-marketing opportunities to boost visibility and reach.



**Management console:** Offers a dashboard to track all transaction data, simplifying administration and analytics.

Kushki is the **payment platform that understands and meets the specific needs of the gaming and gambling industry in Latin America**, providing solutions that combine technology, security, and adaptability.



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