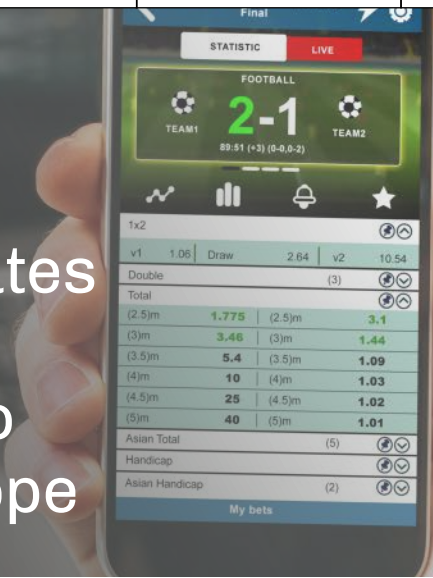


Law N° 31557, Which Regulates the Exploitation of Remote Sports Games, is Modified to Clarify Concepts and Its Scope



On June 28, Law N° 31806, that modifies Law N°31557 (a law that regulates the exploitation of remote games and remote sports betting), was modified to clarify the concepts and scope of said legal framework.

It should be noted that Law N° 31557 has not yet entered into force, because the Ministry of Foreign Trade and Tourism has not issued the corresponding regulations. The modifications to Law N° 31557, resulting from Law N° 31806, do not imply its entry into force.

The following are the main modifications to Law N° 31557.

Definitions

- The definition of "Remote Sports Betting" no longer considers the change criteria (azar) but rather that of randomness (aleatoriedad).
- The definition of "Sports Event" considers skill or ability activities, and it includes electronic sports (esports) and related activities.
- The definition of "Remote Games" establishes that these games of chance may include components of skill or dexterity.
- The definition of "Player" no longer requires that the foreign person be a resident of the Peru, and reference to the provisions regarding the migratory status has been eliminated.
- The definition of "Authorization and Registration Procedure" eliminates the reference to payment gateways within its scope.
- The definition of "Remote Sports Betting Game Premises" specifies that these establishments can be dedicated exclusively to the exploitation of authorized technological platforms, or as an additional activity to the sale of other products or services.

Authorization Procedure and Exploitation Conditions

- With the modification of Law N° 31557, it is no longer a requirement to use only the domain extension ".bet.pe", but any of the following can be used: ".bet", ".com", ".pe" or ".com.pe".
- Payment gateways are no longer part of the authorization and registration (homologation) procedure of technology platforms.
- The procedure for the registration and verification of the player's condition is specified. Therefore, the obligation for the player to register for the use of the technological platform, and to obtain the respective code or user account is established. The authorization holder must verify the correspondence between the player's identity and the assigned code or account. This verification no longer includes immigration status.
- Bets can also be placed on sporting events that are part of associations (in addition to the federations or leagues already provided for in the original version of Law N° 31557).
- Progressive systems are also allowed for remote sports betting.
- It is expressly established that it is the player who must make the payment, and that the prizes are collected by the means of payment that he chooses.
- The reference of the guarantees for each premise subject to authorization has been eliminated.
- The amount of the guarantee for the authorization to operate remote games or remote sports bets has been modified. Now, it is the greater of 3% of net annual income or 600 UIT in force on the date authorization was granted (USD 820,000 for 2023 approx.).
- The minimum distance between temples and educational institutions subsequently constructed are not required in the procedure for renewing the authorization to operate a premise, once said authorization has expired.
- The sponsorship must be made by the holder of the technological platform, and whoever receives the sponsorship is obliged to verify that the sponsor (holder) is authorized. Failure to do so is considered an infraction.
- It is specified that the payers of the taxes are the legal persons mentioned in Sections 7.1 (legal persons incorporated in Peru, as well as branches established in Peru of legal persons incorporated abroad) and 7.2 (legal persons incorporated abroad) of Law N° 31557.

Other Modifications

Law N° 31557 will no longer enter into force sixty (60) days after the publication of its regulations, but T hundred and twenty (120) days after said publication.

Except for the administrative procedures for authorization to exploit technological platforms and the authorizations derived from the authorization and registration procedures, the other procedures qualify as automatic approval administrative procedures.

As part of the adaptation to the Law, it is established that premises that operate without express authorization on the date of entry into force of the Law, are exempt from the obligation to maintain the minimum distance with temples and educational institutions.

Article 243-C of the Penal Code is amended so that the offense contains as an assumption the organization, conduct or exploitation of remote games or remote sports betting without meeting the legal requirements.

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