

Mexican Casinos Win Injunctions In Appeals Court

Injunctions against 2023 decree preventing granting and renewal of slot machines licences

New gambling legislation rumoured to be in the works, expected sooner rather than later

Last week, several Mexican casino operators were granted injunctions against a November 2023 decree that prohibits granting or renewing licences for slot machines and other casino-style games on the grounds of unconstitutionality.

Although these injunctions, or amparos as they are called locally, have been granted to casinos nearly since the decree was first handed down, last week marks the first time they were found unconstitutional in the second instance, as a higher court confirmed it.

According to Latin Lawyer, amparos proceedings are a type of constitutional review available for the protection of constitutional rights.

In Mexico, a decree is first found unconstitutional in a first resolution.

Gaming lawyer Alfredo Lazcano explained that the first ruling is issued by a single judge and evaluates the viability of the amparos.

The second ruling is issued by the Court of Appeals, which is composed of three additional magistrates and the original judge. They confirm or revoke the first judge's ruling.

“The four judges are saying the same thing, ‘No, the government are not right. This is unconstitutional. The [first] court has already resolved it’,” said gaming lawyer Carlos Portilla Robertson of Portilla, Ruy-Díaz y Aguilar.

The casino operators who won amparos are Western Sports Shows, Attractions and Thrills Vallarta, and Mexican Festive Events.

The decree also revoked several provisions of a 2004 regulation that recognised “drawings of numbers or symbols” as allowing Class III gaming machines, along with electronic and live table games. Although it did not invalidate current licences, it prevented them from being renewed. It left operators scrambling, and essentially froze the operations of gaming machine suppliers until they received amparos.

Mexico’s current gaming law dates back to 1947, but Portilla Robertson told Vixio Gambling Compliance to expect a new regulation soon.

“Our government is working on a new law. They're going to revoke the federal existing law, and they're going to publish, and I don't think it's going to take a lot of time,” Robertson said.

He predicts the new legislation would have only one federal tax:

“So they're going to void or cancel all the states or local taxes Now it's going to be only one tax. That's good news,” he said.

Mexico has struggled with double taxation in the past.

In 2023, the Supreme Court ruled in favour of double taxation, leaving those in the state of Mexico (not the country) paying taxes on the revenues of gambling organisers and gaming machine owners in addition to Value Added Tax.

Jurisdictions

Mexico

Sectors

Casinos

Gaming Machines

Specialisms

Enforcement

Tax