

Legal Update

Portugal Land-Based Casino Opportunity: Tenders Launched for Three Gaming Licenses

Key Facts

- On 24 July 2025, the Portuguese Government announced the launch of public tenders to award licenses for the exclusive operation of casinos in the gaming areas of Algarve, Espinho and Póvoa de Varzim.
- For each of these areas, the existing operating license will lapse at the end of 2025. The Espinho and Póvoa de Varzim areas currently comprise one casino each, whereas the Algarve gaming area comprises three: Vilamoura, Monte Gordo and Barlavento.

The New Licenses

- The licenses awarded will include the right to use the existing casino premises and equipment throughout their term, with the sole exception of Barlavento. In this case, the casino premises will need to be supplied by the winner of the Algarve license.
- The licenses will be awarded for a period of 15 years from the date on which the respective concession agreement is signed.

The New Tenders

- The deadline for submission of applications ends on 5 September 2025.
- The tenders are subject to a limited procedure through prior invitation with international publicity.
- Eligibility is limited to qualified operators with a strong track record in land-based gaming. To be eligible, candidates must, for example, have valid title for operating games of chance for the previous five years and give evidence of having effectively operated within certain minimum parameters for the previous two years, whether in Portugal or overseas. Candidates must also present strong financial credentials.
- Candidates found eligible will be invited to submit their bids within 60 days.
- The same entity may bid for all three tenders.

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- Each license will be awarded to the highest bid, ranked according to a multi-factor model that considers the following criteria:
 - a) amount proposed as an annual fixed fee (with a relative weight of 35%);
 - b) percentage of gross gaming revenue proposed as a variable fee (with a relative weight of 50%); and
 - c) amount proposed as minimum variable fee (with a relative weight of 15%).
- Proposals from the bidders with respect to each of these factors must fall within the following minimum and maximum thresholds:

	Algarve	Espinho	Póvoa de Varzim
Annual Fixed Fee (35% weight)	€1.5M minimum	€1.9M minimum	€1.8M minimum
% of GGR (50% weight)	30 – 35%	45 – 50%	45 – 50%
Minimum Variable Fee (15% weight)	€9M –€11M	€15M –€17M	€14.5M –€16.5M

- In addition to the annual fees, the winning bidder will be required to pay an initial license fee, in a pre-determined amount (€31M for the Algarve license, €36M for the Espinho license and €33.7M for the Póvoa de Varzim license).
- Licenses are granted to the winning bidders in the form of a concession contract signed with the Portuguese State. Prior to signing the concession contract, each winning bidder is required to submit a security deposit or bank guarantee in an amount equivalent to 2% of the full contract amount.

About MdME

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Contacts:



Rui Pinto Proença
Partner
rui.proenca@mdme.com
[Visit Profile](#)



Francisco Sá da Bandeira
Counsel
francisco.bandeira@mdme.com
[Visit Profile](#)

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