

**Extraordinary**



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<i>S. I. No.</i>	<i>Short Title</i>	<i>Page</i>
43	National Lottery Regulation, 2007	B 503-521

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**NATIONAL LOTTERY ACT**  
**NATIONAL LOTTERY REGULATION, 2007**



**ARRANGEMENT OF REGULATIONS**

**Regulation :**

**PART I—POWERS TO MAKE REGULATIONS**

1. Purpose of the Regulation.
2. Conditions for operating lottery businesses.

**PART II—ADEQUACY, ADMINISTRATION  
AND NATIONAL COVERAGE**

3. On-line and instant validation terminals.
4. Use of vending machine or similar apparatus to sell tickets.
5. Use of National Lottery Logo.
6. Information required on Lottery ticket.
7. Publication of winning numbers.
8. Submission of Code of Practice to Commission.

**PART III—GRANT, DURATION, EXPIRATION  
AND RENEWAL OF A LOTTERY LICENCE**

9. Power to grant National Lottery Licence.
10. Duration of a licence.
11. Expiration of a licence.
12. Renewal of Lottery Licence.
13. Cooperation with the law enforcement agencies.
14. Audit.
15. Suspension of licence.

**PART IV—OBLIGATIONS  
AND LIABILITIES OF A LICENSEE**

16. Maintenance of list of secure areas.
17. Keeping of register of persons in secure areas.
18. Information on fraud.
19. Advertising Code of Practice.
20. Prohibited games.
21. Reports of tickets sold and prizes awarded.
22. Display of Licence.
23. Liability of Licensee for tickets generated.

**PART V—LICENSEE, AGENT  
AND FRANCHISE UNDER THE LICENCE**

24. Agreement between a Licensee and agents of lottery etc.
25. Conditions precedent to the validity of a licence.

**PART VI—TICKETING, LOTTERY WINNINGS  
AND PAYMENT OF PRIZES**

26. A player subject to Licensee's approved rules and procedures.
27. Compensation by Licensee and inspection by Commission.
28. Payment of prizes to multiple winners.
29. Right to prize not generally assignable.
30. Interpretation.
31. Citation.

Schedule.

S. I. 43 of 2007

**NATIONAL LOTTERY ACT**  
(2005 No. 7)

NATIONAL LOTTERY REGULATION, 2007

[ 11th July, 2007 ]

Commencement

**In exercise of the powers conferred upon it by section 55(1) of the National Lottery Act, 2005 and all other powers enabling it in that behalf, the NATIONAL LOTTERY REGULATORY COMMISSION'S GOVERNING BOARD, with the approval of the President, makes the following Regulation :**

PART I—POWERS TO MAKE REGULATIONS

1. This Regulation is intended to ensure that the National Lottery is operated with all due propriety, and that the interests of the players, stakeholders and the public are protected.

Purpose of  
the  
Regulation.

2. A Licensee, his appointed agents, franchisees, or operators shall adhere strictly to the following conditions—

Conditions  
for  
operating  
lottery  
business.

(a) a Licensee shall develop and furnish the Commission with details of stringent accounting, administrative, security and internal control systems to ensure propriety and integrity of the National Lottery and particular attention shall be paid to accounting for sales and the allocation of revenue to prizes and statutory remittance to the Trust Fund ;

(b) to avoid negative social effects of lottery, a Licensee shall not allow underage person to participate and shall adhere strictly to government policies on social responsibility in designing, advertising and marketing campaigns ;

(c) a Licensee shall design and develop an attractive variety of games to maximise the net proceeds for the National Lottery; and the games shall be made to appeal to various segments of the market while still maintaining the common identity of the National Lottery and the Commission shall approve each game prior to its launch ;

(d) a Licensee or operator shall provide a comprehensive retail distribution network which achieves a balance between geographical distribution and the commercial viability of the National Lottery ;

(e) a Licensee shall provide and operate up-to-date systems and technologies in order to maximise the objectives of the National Lottery and to provide efficient and reliable services to all players and retailers and the systems shall include a central computer system, retailer terminals, communication methods as well as supporting systems for activities such as security, internal control and accounting ;

(f) within the period of the validity of a licence, a Licensee shall develop strategies for sustaining interests in the National Lottery, maximise revenues for the statutory objectives and develop National Lottery consciousness ;

(g) the integrity and security of the National Lottery shall be beyond reproach, with stringent control measures imposed by operator(s) to ensure that all aspects of the National Lottery are secure, transparent, fair and honest ;

(h) in order to preserve the image of the National Lottery, a Licensee shall—

(i) ensure that all monies due to prize winners are paid in full,

(ii) provide details of how he will ensure that funds required to meet obligations to prize winners and potential prize winners are safeguarded, and

(iii) provide a description of the process to ensure that any payment by cheque (or any other non-cash method) to a valid prize winner will be honoured;

(i) a Licensee shall notify the Commission of any changes or proposed changes in the composition of its directors, shareholders and key employees ;

(j) a Licensee shall furnish the Commission with details of how it proposes to meet the requirements of Section 23 of the Act relating to—

(i) use of Nigerians and expatriate staff, identification of the number and type of expatriate positions,

(ii) experience and qualifications of key directors and managers within the organization,

(iii) commitment to good corporate governance,

(iv) treatment of staff in the event of revocation, suspension or expiration of a licence, and

(v) ability to recruit, train, motivate and retain the most competent staff in order to maximize the objectives of National Lottery for national development ;

(k) a Licensee shall provide the following for each game or type of game—

(i) a description of the game type and game design including—

(a) the game format, method and indicative rules ;

(b) how the game is to be delivered to the player e.g. on-line or off-line expected ticket prices ;

(c) the prize structure, including the relationship between first, second and other prizes; odds and pay-out ratio including likely level of jackpot prizes ;

(d) frequency of playing ;

(e) themes, play symbol (where appropriate) ;

(f) the number of games running in parallel ;

(g) use of TV game shows etc ;

(ii) for each game or type of game, details of the—

(a) positioning of the game in the market ;

(b) market segment(s) it is expected to appeal to and why ;

(c) expected breakdown of sales by market segment ;

- (d) expected frequency and value of purchases by market segment ; and
- (e) how many simultaneous games of the same type are expected to be suitable for the Nigerian market ;

(l) to ensure integrity, decorum and public confidence in the National Lottery, a Licensee shall provide details of how—

- (i) players shall ascertain that they have won,
- (ii) prizes may be paid out by retailers, including their values,
- (iii) players shall claim prizes other than those paid by retailers,
- (iv) prize payments shall be made (e.g. cash, cheque or bank transfer),
- (v) quick prizes (other than those paid by retailers) shall be paid,
- (vi) the privacy of winners shall be protected,
- (vii) winners who waive their right to privacy shall be treated, and
- (viii) the counselling and advisory services intended to be offered to winners of large prizes shall be undertaken ;

(m) the Commission shall require each Licensee to provide details of—

- (i) the method of informing players about the National Lottery, their rules and procedures,
- (ii) the avenues for making enquiries and complaints and the accessibility of these avenues to the target audience,
- (iii) the procedures for resolving complaints and disputes,
- (iv) proposals for compensation, and
- (v) the means by which the public may be informed of any event which inhibits the successful operation of the National Lottery or jeopardize the image of the National Lottery and which are due to the fault of a Licensee, his contractors, subcontractors, agents or staff ;

(n) a Licensee shall ensure that only new Central System Hardware and other equipment are used in the National Lottery; therefore, a Licensee shall—

- (i) accept plays (manual or play-slip), cancellations and produce tickets for on-line games,
- (ii) provide on-line update of a central database of tickets sold,
- (iii) validate claims and pay prizes for on-line, instant and other games,
- (iv) manage activation and settlement of retailers accounts including reimbursement of prize payments,
- (v) retain up to date details on retailers' activities,
- (vi) provide overall reports on relevant activities for a Licensee's retrieval, and
- (vii) provide accurate details for the monitoring of a Licensee's activities by the Commission ;

(o) a Licensee shall describe in detail how its system will—

(i) validate winning tickets, and where appropriate, support the payment of prizes by retailers,

(ii) recognize the redeeming retailer code based on the sign-on,

(iii) provide appropriate messages to the redeeming retailer indicating what action to take,

(iv) update all necessary records to reflect the payment of the prize (e.g. the winning tickets file and accounting files enabling repayments and bonuses/commissions for retailers),

(v) provide how winning ticket details will be entered into the system e.g. via a bar code reader or manual entry,

(vi) present security features and procedures associated with the payment of prizes, and

(vii) handle local validations of low tier instant winning tickets (if applicable);

(p) each Licensee's central system interaction with each proposed terminal shall have the capability with regard to the following, among others—

(i) ability to send and receive individual messages to and from the host computer system,

(ii) remote diagnostic capabilities,

(iii) method of loading software, how long the download process takes and the method of verification that all terminals have the current and valid version of the software, and

(iv) the ability of the central system to monitor the status of each terminal and to disable or enable each terminal ;

(q) a Licensee shall ensure that the system it puts in place correctly handles retailers accounting and billing including collection of amounts due to the Trust Fund and payment of retailers' credit balances (i.e. where prizes paid exceed sales in a billing period) ;

(r) in the discharge of its regulatory functions and to ensure the protection of the interest of players, stakeholders and the public, the Commission shall ensure that—

(i) where possible, the Trust Fund is provided with an Independent Verification System to reprocess electronic records of daily transactions using on-line systems,

(ii) a Licensee is required to state clearly its proposals with regard to the provision of such a system,

(iii) the Independent Verification System covers on-line, instant and any other games and work from the daily transaction log provided by the operator of the National Lottery and processes all transactions and produce reports in order to reconcile the information produced by the operators' systems.



## PART II—ADEQUACY, ADMINISTRATION AND NATIONAL COVERAGE

3. A Licensee shall ensure that the numbers of on-line and instant validation terminals are adequate to give the industry a national outlook; however, the eventual number of terminals and network design under the licence shall be agreed between the Commission and a Licensee.

On-line  
and instant  
validation  
terminals.

4. If a Licensee or his retailers make use of Attended Vending Machines or similar apparatus to sell tickets in the National Lottery, such tickets shall not be sold by means of such a machine or apparatus unless attended to by an authorized person at all times of its operation.

Use of  
Vending  
Machines  
or similar  
apparatus  
to sell  
tickets.

5. In compliance with the provisions of section 20 (3) of the Act, a Licensee shall ensure that, the National Lottery Logo—

Use of  
National  
Lottery  
Logo.

(a) appears on all National Lottery play slips and tickets ;

(b) is displayed on any equipment provided by or on behalf of a Licensee and used at retail outlets in connection with the National Lottery ;

(c) is displayed on all signs at retail outlets provided by or on behalf of a Licensee indicating that National Lottery tickets can be purchased there ;

(d) appears on all documents containing information about the National Lottery or any Constituent Lottery; produced by or on behalf of a Licensee and made available to any person ;

(e) appears on all advertisements and points of sale of materials produced by or on behalf of a Licensee in respect of the National Lottery or any Constituent Lottery ;

(f) appears in any sponsorship by or for a Licensee in respect of the National Lottery or any Constituent Lottery ; and

(g) appears on all correspondence by a Licensee in connection with the National Lottery or any Constituent Lottery.

6. A Licensee shall ensure that every National Lottery ticket contains the following information among others—

Information  
on  
lottery  
tickets.

(a) the name and address of the registered or principal office of the Licensee ;

(b) a statement of how to obtain the rules of the relevant Constituent Lottery ;

(c) the name of the Constituent Lottery and a statement that it forms part of the National Lottery ;

(d) the price of the ticket ;

(e) the game(s) and draw(s) for which the ticket is valid ;

(f) the method by which the ticket holder can ascertain whether the ticket is a winning ticket ; and

(g) the minimum age of persons to whom tickets in a relevant Constituent Lottery can be sold together with a statement that prizes are not payable to any person less than the minimum age.

Publication  
of  
winning  
numbers.

7. A Licensee shall ensure that winning lottery numbers (where applicable) are publicized nationally in the printed and electronic media in a timely and high profile manner to give the industry the national consciousness required to maintain public confidence in National Lottery.

Submission  
of  
Code of  
Practice.

8. A Licensee shall prepare and submit to the Commission for approval within two months of the launch, a Code of Practice dealing with—

- (a) procedures including locations for making claims for prizes ;
- (b) procedures for paying out prizes ;
- (c) procedures for notifying claimants of invalid or disputed claims and subsequent procedures to be followed ;
- (d) handling of questions from participants and procedures for settling disputes which shall not exclude participants' constitutional right to court of law or where the rules of a Constituent Lottery so provide, arbitration ;
- (e) steps to be taken to ensure that no action is taken which might reasonably lead to the disclosure of the identity of a person who has won a prize in a Constituent Lottery without his or her consent ; and
- (f) maintaining the dignity of persons who have won prizes in a Constituent Lottery who have agreed to the disclosure of their identities.

#### PART III—GRANT, DURATION, EXPIRATION AND RENEWAL OF A LOTTERY LICENCE

Power to  
grant  
National  
Lottery  
Licence.

9.—(1) The President, on the recommendation of the Commission may give licence to a lottery operator, a person or organization which he believes will best serve the public convenience and the licence shall not be transferred or assigned to any other person.

(2) The Commission shall determine the licence fee payable by any person for the grant of a licence and such amount is subject to review from time to time.

Duration  
of a  
licence.

10.—(1) In compliance with the provisions of the Act and this Regulation, a National Lottery licence shall be valid for the period stipulated in the Act which shall not be less than 10 years except suspended or revoked.

(2) Lotteries with short durations, periodic life span, seasonal existence and promotional lotteries of less than 10 years duration shall be operated pursuant to a valid permit granted by the Commission.

(3) The amount payable for the grant of a valid permit under sub-regulation (2) above shall be determined by the Commission from time to time.

11. Unless suspended or revoked, a licence expires on the date specified on the licence.

Expiration  
of a  
licence.

12.—(1) The Commission shall adopt rules for the renewal of a licence in compliance with the provisions of the Act.

Renewal of  
lottery  
licence.

(2) The renewal fee shall be determined by the Commission and such fee is, subject to review from time to time.

(3) A Licensee shall file a renewal application not less than three (3) months before the expiration of a licence.

13.—(1) The Commission may request the cooperation of the security and law enforcement agencies to carry out an investigation on a person alleged to have committed an offence in connection with the National Lottery.

Cooperation  
with the  
law  
enforcement  
agencies.

(2) The Commission may require a person who is subject of investigation to provide any information, including fingerprints, necessary to carry out the investigation or facilitate access to state or federal record and information.

(3) Unless otherwise prohibited by law, a security agency may retain any record or information submitted to it under this section.

14. As prescribed by section 27 of the Act, a Licensee shall cause his or its accounts and financial statements to be audited within six months after the end of each year by external auditors in accordance with the provisions of the Companies and Allied Matters Act.

Audit.  
Cap. C20  
LFN 2004.

15.—(1) The President may suspend a Licensee's licence if the Commission, upon investigation and having taken due remedial actions, finds that the action is necessary to maintain the integrity, security, honesty or fairness of the operation or administration of the lottery or to prevent financial loss to the nation such as where—

Suspension  
of a  
licence.

(a) a Licensee fails to deposit proceeds received from ticket sales under the National Lottery as required by the Act ;

(b) an event occurs that would render a Licensee ineligible for a licence ;

(c) a Licensee refuses to permit the Commission, its Agents or the Auditor-General of the Federation to examine a Licensee's books, records, papers, or other objects ; or

(d) the Commission learns that a Licensee has failed to disclose information that would, if disclosed, render a Licensee ineligible for a licence.

(2) To initiate a proceeding to suspend a Licensee's licence, the Commission shall serve a notice on a Licensee informing him of the right to a preliminary hearing and of the time and place of the preliminary hearing.

(3) The notice referred to in sub-regulation (2) of this regulation shall—

(a) be served personally on a Licensee or an officer, employee, or agent of a Licensee ; or

(b) be sent by certified or registered mail to a Licensee's mailing address as it appears on the Commission's records ;

(c) state the alleged violations that constitute the grounds for suspension and that the suspension is effective at the time the notice is served ;

(d) if served on a Licensee personally, the Licensee shall immediately on receipt, surrender the licence to the Commission ; and

(e) if served by mail, a Licensee shall immediately on receipt, return the licence to the Commission.

#### PART IV—OBLIGATIONS AND LIABILITIES OF THE LICENSEE

Maintenance  
of a list  
of secure  
areas.

16.—(1) A Licensee shall maintain a list of secure areas, together with a description of each, and shall make such list and description available to the Commission for inspection before the first Constituent Lottery is promoted and at any time thereafter.

(2) The Commission may at any time specify additional areas to be designated as secure areas.

Register of  
persons  
in secure  
areas.

17. A Licensee shall—

(a) keep a register of persons permitted to enter each secure area ;

(b) ensure that no person enters or leaves a secure area unless indicated in the register referred to above for the secure area in question or is supervised by such a person ; and

(c) ensure that a record is kept of all persons who enter each secure area together with the times and dates on which each person enters and leaves this area.

Information  
on fraud.

18.—(1) A Licensee shall inform the Commission immediately of any material fact that gives rise to any prima facie suspicion that there might be fraud or irregularity in connection with the National Lottery.

(2) Failure to make the disclosure shall constitute a material breach of the conditions for the licence.

Advertising  
Code  
of  
Practice.

19.—(1) A Licensee shall prepare and within two months of the granting of a licence, submit to the Commission for approval, a Code of Practice covering advertising and public relations in respect of the National Lottery and every Constituent Lottery and any authorised Lottery Ancillary Activities.

(2) The Code of Practice referred to in sub-regulation (1) of this regulation shall deal with—

(a) the style and content of advertisements according to medium and location ;

(b) the style of tickets in Constituent Lotteries, publications and other materials associated with the National Lottery ;

(c) techniques to avoid aiming advertisements at natural persons under 18 years of age or other unsuitable target markets and audiences ;

(d) the presentation of information which describes or appears to describe the chances of winning, the nature of prizes or the cost of playing ;

(e) promotions, co-promotions and sponsorship entered into by a Licensee in connection with the National Lottery, any Constituent Lottery or Lottery Ancillary Activities including merchandising ;

(f) sponsorship of the National Lottery or any Constituent Lottery by other persons ;

(g) the style and content of promotions on National Lottery Tickets or at any other place associated with the National Lottery or any Constituent Lottery ;

(h) public relations ; and

(i) lotteries conducted on behalf of a Licensee under the Act.

(3) The Code of Practice shall comply with all laws of the Federal Republic of Nigeria and with all codes, rules, classifications or rulings of the Advertising Standards Authority and the Broadcasting Authority established by Acts of the National Assembly.

(4) The Code of Practice shall also be consistent with the social responsibility programme as approved by the Commission and shall comply with the Constitution of the Federal Republic of Nigeria.

(5) Reference to "the Code of Practice" means the latest available version of the Code of Practice as approved by the Commission together with any amendments to that Code of Practice approved by the Commission.

(6) A Licensee shall comply with the Code of Practice and shall ensure that any person who conducts a Lottery on behalf of a Licensee under the Act and any other person, who carry out any advertising in respect of the National Lottery and every Constituent Lottery, shall comply with the provisions of the Code as are applicable.

(7) A Licensee shall ensure that all factual statements for the National Lottery or Constituent Lotteries or in any material designed to encourage the purchase of tickets in a Constituent Lottery are true and capable of independent verification; where a statement is not capable of independent verification a Licensee shall ensure that it is not included in any advertisement.

(8) A Licensee shall also ensure that no advertisement of the National Lottery or any Constituent Lottery includes the name of, or any images which are identifiable with, any individual or organisation to which money has been distributed under the provisions of the Act without the consent of that individual or organisation.

20.—(1) A Licensee may not establish or operate a lottery game in which the winner is chosen on the basis of the outcome of a sport event.

Prohibited  
games.

(2) The Commission shall adopt rules prohibiting the operation of any game using a video lottery machine.

(3) In this regulation—

(a) "sport event" means a football, basketball, baseball, or similar game, or a horse or dog race on which pari-mutuel wagering is allowed ; and

(b) "video lottery machine" means any electronic video game machine that, upon insertion of cash, is available to play or simulate the play of a video game, including video poker, keno and blackjack, using a video display.

Reports of  
tickets sold  
and prizes  
awarded.

21. For each lottery game, after the last date on which a prize may be claimed, a Licensee shall prepare a report that shows the total number of tickets sold, the number and amounts of prizes awarded in the game, and the report shall be made available for inspection upon request by the Commission.

Display of  
licence.

22. A Licensee shall prominently display his licence in each place of business or activity at which a Licensee operates.

Liability of  
Licensee  
for tickets  
generated.

23. A Licensee is liable to the Commission for all tickets generated by a Licensee or any employee or agent of a Licensee and tickets shall be deemed to have been sold by a Licensee for the purpose of determining the amount payable under section 35 of the Act to the Trust Fund unless accounted for to the Commission within the time and manner prescribed by the Commission.

#### PART V - LICENSEE, AGENT AND FRANCHISEE UNDER THE LICENCE

Agreements  
between  
the  
Licensee  
and  
agents of  
Lottery,  
etc.

24. Agreements between a Licensee and any operator, contractor, agent, franchisee, or person operating any form of lottery shall reflect amongst other things :

(a) the volume of lottery transactions for the purposes of determining the Prize Fund of 50% as provided for by section 24 (1) of the Act or as otherwise approved by the Commission ;

(b) the percentage of the proceeds to the Trust Fund in compliance with section 24(3) of the Act or as approved by the Commission ;

(c) the commission due to a Licensee under the Agreement ;

(d) submission of periodic reports to a Licensee to enable the latter submit annual reports to the Commission in compliance with section 26 of the Act ; and

(e) the status of the agreement be it agency, franchise, sub-contract or independent contractor.

Conditions  
precedent  
to the  
validity of  
a  
licence.

25. The following are conditions precedent to the validity of a licence—

(a) a Licensee shall not grant any licence, authority, consent or other rights to any person to do anything with or in relation to the National Lottery which a Licensee could not do under the licence ;

(b) any licence, franchise, authority or consent granted by a Licensee to do anything with or in relation to the National Lottery shall automatically terminate upon the termination of the licence for any reason ;

(c) in compliance with the provisions of section 23 of the Act, no express or implied licence, contract, authority, consent or other right shall be granted by a Licensee to any person or group of persons to exercise the powers of a Licensee

under the licence in a manner that will affect the image, integrity and the interest of the players, stakeholders and the public without the approval of the Commission;

(d) a Licensee shall, as soon as he becomes aware of any impediment, obstruction, piracy or infringement of the objectives of the National Lottery, give to the Commission in writing, full particulars of such obstacles ;

(e) a Licensee shall promptly issue warnings against any such obstacles or infringements following confirmation from the Commission, (which shall not be unreasonably withheld or delayed) that such infringement has not been authorized ;

(f) in the event that a Licensee is unable to stop such obstruction or infringement, he shall promptly notify the Commission and unless the Commission otherwise directs, a Licensee shall be entitled in his name and at his expense to take legal action against the infringement ;

(g) upon cessation of a licence for whatever reason, a Licensee, his directors, officers and servants shall cease to make use of the trade marks or logo to represent them as being connected with the National Lottery and shall promptly remove all representations of National Lottery from all of their stock of goods, premises and advertisements ;

(h) any applicant, desirous of operating under the auspices of a Licensee, either as a franchisee or an agent will abide by all conditions applicable to a Licensee under the Act and this Regulation ; and

(i) the Agency or Franchisee shall operate under this Regulation and the guidelines set out in the Schedule to this Regulation.

#### PART VI—TICKETING, LOTTERY WINNINGS AND PAYMENT OF PRIZES

##### 26. A player shall be subject to—

(a) a Licensee's rules and claims procedures, approved by the Commission including those developed for the particular lottery game involved;

(b) any validation tests approved by the Commission for the particular lottery game involved ; and

(c) an abbreviated form of the rules if the lottery uses tickets, or a reference to the rules as it may appear on the tickets.

A player  
subject to  
Licensee's  
approved  
rules and  
procedures.

27. (1) A Licensee shall determine the compensation to be paid to sales agents for the sale of tickets.

(2) If a lottery game involves a draw, the draw shall be open to the public and an Independent Auditor shall witness the draw.

(3) An employee of the Commission and the Independent Auditor witnessing the draw shall inspect any equipment used in the draw immediately before and after the draw.

Compensation  
by  
Licensee  
and  
inspection  
by  
Commission.

Payment  
of prizes to  
multiple  
winners.

28.—(1) A specific prize as set forth by the prize structure of a specific lottery game may not be paid more than once and if a Licensee determines that more than one claimant has been awarded a specific unpaid prize in a specific lottery game, each claimant shall be entitled only to an equal share of the prize.

(2) A Licensee shall pay the cash equivalent of a prize other than prize money if more than one person are entitled to share the prize as provided in this Regulation.

Right to  
prize not  
generally  
assignable.

29.—(1) Except as provided by this Regulation, the right of any person to a prize is not assignable.

(2) If a prize winner dies before the collection of the prize, it shall be paid to the estate of the deceased prize winner.

(3) A prize to which a winner is otherwise entitled may be paid to any person under an appropriate judicial order.

Interpretation.

30. In This Regulation—

“Act” means the National Lottery Act 2005 ;

“Active Lottery” means a Constituent Lottery in which the determination of whether any participant has won a prize is made, in whole or in part, by reference to numbers or other symbols selected by the participant or automatically by a Licensee’s central system and on-line terminal ;

“*approvable descriptions*” means descriptions as may be determined by the Commission from time to time ;

“*Attended Vending Machine*” means any machine for selling tickets which is attended by an authorised person ;

“Auditors” means the Auditors described in section 27 of the Act ;

“Board” means the Governing Board established under the Act ;

“Commission” means the National Lottery Regulatory Commission ;

“connected party” in relation to—

(a) any person other than a Licensee means :

(i) any Director or other officer of that person,

(ii) a person (a “15% holder”) who is entitled to exercise or control the exercise of 15% or more of the voting rights attaching to all of the issued shares of any class in the capital of that person or to receive (beneficially or otherwise) 15% or more of the total amount of any dividend or other distribution which may be declared, made or paid in respect of any class of shares in the capital of that person or who has any beneficial or other interest in shares with a nominal value equal to 15% or more of the total nominal value of the issued shares of any class of that person,

(iii) the ultimate parent company of that person or the ultimate parent company of the 15% holder of that person, or



(iv) any Director or other officer of any of the 15% holder of that person or of the ultimate parent company of that person or of the ultimate parent company of any of the 15% holder of that person ;

(b) a Licensee means—

any key employee (being any Executive Director or Senior Manager or any other person or class of persons so designated by the Board from time to time, whether employed by a Licensee or any subsidiary of a Licensee or engaged as a Consultant or on Secondment or in any other manner to provide services) of a Licensee, or any subsidiary of a Licensee, and any other Director of any subsidiary of a Licensee ;

(c) any person ("a qualifying direct shareholder") who—

(i) is entitled to exercise or control the exercise of 3% or more of the voting rights attaching to all of the issued shares of any class in the capital of a Licensee, or

(ii) is entitled to receive (beneficially or otherwise) 3% or more of the total amount of any dividend or other distribution which may be declared, made or paid in respect of any class of shares in the capital of a Licensee, or

(iii) has any beneficial or other interest in shares with a nominal value equal to 3% or more of the total nominal value of the issued shares of any class of a Licensee,

(iv) any connected party in relation to any qualifying direct shareholder, or

(v) any person who is a party to any lottery contract or lottery sub-contract and any person who is a connected party in relation to any such person ;

"*Constituent Lottery*" means a Lottery that forms part of the National Lottery ;

"*Constituent Lottery Trade Mark*" means the Lottery Trade Mark submitted by a Licensee and approved by the Commission or a Trade Mark commissioned by the Commission for use in connection with Constituent National Lotteries ;

"*Director*" means a Director of the Commission or of a Licensee ;

"*Director-General*" means the Chief Executive Officer of the Commission ;

"*division*" means the lottery division established by the Commission ;

"*draw*" includes any arrangement for determining on one occasion, the persons who have won prizes in a Lottery ;

"*Financial Year*" has the meaning given to that expression in sections 14 and 47 of the Act ;

"*Instant Launch Date*" means the date on which tickets may first be purchased in an Instant Lottery ;

"*Instant Lottery*" means a Constituent Lottery which is not an Active Lottery and which does not involve utilisation of On-line Facilities, other than for activation or validation and in which the determination of whether or not a particular ticket is a winning ticket may be made immediately, following its purchase ;

*"Instant Tickets"* means tickets for any Instant Lottery ;

*"interest rate"* means the prime overdraft interest rate, as approved and published by the Central Bank of Nigeria.

*"licence"* means the Licence issued under section 19 of the Act;

*"Licensee"* means a person or organization licensed under the Act to operate a lottery ;

*"lottery"* means the procedures authorised under section 57 of the Act through which prizes are awarded or distributed by chance among persons who have paid, or unconditionally agreed to pay, for a chance or other opportunity to receive a prize ;

*"lottery activity"* for the purposes of this Regulation, means any activity which is ancillary or related to the National Lottery but which does not comprise the operating of the National Lottery or the promotion of a Constituent Lottery ;

*"lottery game"* includes a lottery activity ;

*"lottery operator"* means a person or organization approved under the Act to operate a lottery ;

*"National Lottery Trust Fund"* means the Trust Fund established by section 35 of the Act ;

*"player"* means a person who contributes any part of the consideration for a ticket ;

*"Prize Fund"* means the Operational Fund established by section 24 of the Act into which shall be paid a minimum return of 50 % of the proceeds of a National Lottery ;

*"secure area"* means ; Where it is necessary for an area (whether it is in the premises occupied by a Licensee or occupied by some other person) to be kept secure, in order to maintain the security of the National Lottery or any Constituent Lottery, a Licensee shall (before it becomes necessary for the area to be kept secure) designate that area as a secure area ;

*"ticket"* means any tangible or electronic evidence issued to provide participation in a lottery game authorized by the Act ;

*"Trade Mark"* for the purposes of this Regulation, means, National Lottery Trade Mark, a Constituent Lottery Trade Mark or one or more of the foregoing as the context requires ; and

*"underage person"* means any person who is under the age of 18years.

Citation.

**31.** This Regulation may be cited as National Lottery Regulation, 2007.

winning ticket is made to the following information :  
validation of the ticket is made to the following information :  
On-line Lottery ticket which is not an Active Lottery ticket.

## SCHEDULE

*Principles and Considerations for The Issuance  
of Franchise or Agency*

To ensure that the National Lottery is operated with all due propriety, and the interests of the stakeholders and participants are protected, the following principles and considerations shall guide the Commission in the issuing of Franchise or Agency :

(a) all applicants desirous of Lottery Licence, Franchise or Agency Agreement shall be fit and proper persons to manage the business or any part of the business of a National Lottery and information supplied in the application for Agency or Franchise shall show that the Applicant is "fit and proper" for the purposes of operating a Constituent Lottery ;

(b) the right of the Commission to check or verify any information given by an applicant with any government, quasi-government, statutory or regulatory department, body or agency in Nigeria or overseas shall be exercised unfettered ;

(c) information contained in the application or obtained in order to verify any answer to questions in the Application will be kept confidential and used only for the purposes it was obtained ;

(d) where appropriate information about an applicant is not available to the Commission or a Licensee from Nigerian sources, the applicant shall ensure that the Commission has such information from other sources to enable it judge the propriety of the applicant adequately ;

(e) where the application is made by an individual because of his directorship or, employment, or association with a company, the position of the individual in the company, the duration or relationship and other particulars of both the Company and the applicant shall be supplied ;

(f) details of all Nigerian and Overseas professional qualifications relevant to the operation of National Lottery, including dates of the qualifications shall be obtained ;

(g) applicant shall also supply a list of the names of its principal employees during the last five years and the dates during which they were in his employment, together with a short description of each business and job title ;

(h) full details shall be provided if the applicant has ever been dismissed, suspended or asked to leave employment for any reason during the working career ; or requested to resign or removed from any fiduciary office or position of trust, whether or not, remunerated ;

(i) the names, nature of business and date of commencement and the particulars of Directors, shall be provided ;

(j) details shall be provided, if during the last five years, the applicant has been a shareholder of any company that has been put into compulsory liquidation or has been placed under receivership or administration while the applicant was a shareholder or a Director within six months of ceasing to be a shareholder or Director; or if the applicant has been adjudged in Nigeria or overseas to be civilly liable for any fraud, wrongful trading or other misconduct in the formation, management or towards members or creditors of the company ;

(k) whether at any time during the last five years, any firm in which the applicant has held a partnership or proprietorship has been wound up whilst the applicant was a partner or held proprietorship or within one year of ceasing to be a partner or proprietor ;

(f) where any of the foregoing inquiries is in the affirmative, the applicant shall state the date of commencement of liquidation, administration, or receivership and the amount involved, together with an indication of the outcome or the current position ;

(m) whether the applicant or any company of which in the last five years he/she was a Director ever paid any penalty or made any other payment to avoid prosecution; or whether the Applicant has ever been disqualified from acting in the management or conduct the affairs of any company, partnership or unincorporated association ;

(n) whether the applicant has ever been declared bankrupt or his/her estate sequestered; or is currently the subject of bankruptcy proceedings or proceedings for sequestration of his estate. If so, the court by which the applicant was adjudged bankrupt, and if discharged, the date and conditions on which the applicant was granted the discharge ;

(o) the applicant shall disclose whether he is a subject of an investigation for fraudulent practices or censured in relation to his business or professional activities ;

(p) the applicant shall disclose whether he has ever been convicted or cautioned for any criminal offence (other than traffic offences). If so, the court, date of conviction, full particulars of the offence and penalty imposed or full particulars of the offence for which the applicant was cautioned shall be provided ;

(q) where the applicant is a company, the name, registration number, date of registration, evidence of up to date payment of tax since registration, address of the registered office, copies of the Memorandum and Articles of Association, evidence of authorised share capital and issued share capital and the names and addresses of all persons who have interest of 15% or more in the company; and copies of every agreement, arrangement or understanding to which the company is a party which concerns the applicant or its business or interest (directly or indirectly) and the company shall confirm that no order, petition or resolution has been passed for the winding up of the company or any of its subsidiaries and no unfulfilled or unsatisfied judgement or court order is outstanding against the company or any of its subsidiaries;

(r) the company shall confirm that, during the last five years, none of its subsidiaries has been the subject of liquidation neither has any of its officers, agents or employees, during the course of their duties to the company, been convicted in Nigeria or elsewhere of any offence involving fraud or dishonesty.

MADE at Abuja this 11th day of July, 2007.

ALHAJI RAFIU BABATUNDE TINUBU  
*Protem Chairman, Governing Board.*  
*National Lottery Regulatory Commission*

replied to  
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the following information is being provided to the Commission for the purpose of the Commission's investigation into the activities of the Commission's members and staff in the Commission's operations.

(a) the Commission's members and staff have been advised that the Commission's operations are being monitored by the Commission's members and staff and that the Commission's members and staff are required to provide the Commission with the following information:

EXPLANATORY NOTE

*(This note does not form part of the above Regulation  
but is intended to explain their purport)*

This Regulation is intended to ensure that the National Lottery is operated with all due propriety, and that the interests of the players, stakeholders and the public are protected.

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