

NATIONAL LOTTERY ACT, 2005

EXPLANATORY MEMORANDUM

This Act provides for the operation of the national lottery and the establishment of the National Lottery Regulatory Commission charged with responsibility for the regulation of the business of national lottery in Nigeria as well as the establishment of a National Lottery Trust Fund.

NATIONAL LOTTERY ACT, 2005

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NATIONAL LOTTERY ACT, 2005

A BILL

FOR

AN ACT TO PROVIDE FOR THE NATIONAL LOTTERY, ESTABLISHMENT OF THE NATIONAL LOTTERY REGULATORY COMMISSION AND THE NATIONAL LOTTERY TRUST FUND; AND FOR RELATED MATTERS.

[Commencement]

ENACTED by the National Assembly of the Federal Republic of Nigeria -

PART I - ESTABLISHMENT OF THE NATIONAL LOTTERY REGULATORY COMMISSION AND ITS GOVERNING BOARD, ETC.

- 1 - (1) There is established a body to be known as the National Lottery Regulatory Commission (in this Act referred to as "the Commission"). Establishment of the National Lottery Regulatory Commission.
- (2) The Commission -
 - (a) shall be a body corporate with perpetual succession and a common seal;
 - (b) may sue or be sued in its corporate name; and
 - (c) may acquire, hold or dispose of any property, movable or immovable for the purpose of carrying out any of its functions under this Act.
- 2 - (1) There is established for the Commission, a governing body to be known as the National Lottery Regulatory Commission Governing Board (in this Act referred to as "the Board") which shall have overall control of the Commission. Establishment and membership of the Governing Board.
- (2) The Board shall consist of -
 - (a) a part time Chairman;
 - (b) a representative each of -
 - (i) the Federal Ministry of Commerce,
 - (ii) the Federal Ministry of Finance;
 - (iii) the Federal Ministry of Sports,
 - (c) six other members, one per geopolitical zone, who shall be persons of integrity possessing cognate experience in relevant fields and versed in regulatory issues; and
 - (d) the Director-General of the Commission.
- (3) The Chairman and members of the Board shall -
 - (a) be appointed by the President; and
 - (b) serve on part-time basis.

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- (4) The supplementary provisions set out in the First Schedule to this Act shall have effect with respect to the proceedings of the Board and the other matters mentioned therein. First Schedule
- 3. The Chairman and other members of the Board, other than *ex-officio* members, shall each hold office - Tenure of office
 - (a) for a term of 4 years in the first instance and may be re-appointed for a further term of 4 years and no more; and
 - (b) on such terms and conditions as may be specified in his letter of appointment.
- 4. -(1) Notwithstanding the provisions of section 3 of this Act, a member of the Board shall cease to hold office as a member of the Board if- Cessation of membership
 - (a) he resigns his appointment as a member of the Board by notice, under his hand, addressed to the President;
 - (b) he becomes of unsound mind;
 - (c) he becomes bankrupt or makes a compromise with his creditors;
 - (d) he is convicted of a felony or of any offence involving dishonesty or corruption;
 - (e) he becomes incapable of carrying on the functions of his office either arising from an infirmity of mind or body; or
 - (f) the President is satisfied that it is not in the interest of the Commission or in the interest of the public for the person to continue in office and the President removes him from office.

(2) Where a vacancy occurs in the membership of the Board, it shall be filled by the appointment of a successor to hold office for the remainder of the term of office of his predecessor, so however that the successor shall represent the same interest as his predecessor.
- 5. The Chairman and members of the Board shall be paid such emoluments, allowances and benefits as the President may, from time to time, direct in line with the recommendation of Revenue Mobilisation, Allocation and Fiscal Commission. Emoluments, etc. of members.
- 6. -(1) The Board shall have power to - Powers of the Board
 - (a) provide the general policy guidelines relating to the functions of the Commission;
 - (b) manage and superintend the policies of the Commission;
 - (c) determine the terms and conditions of service of the employees of the Commission;
 - (d) fix the remuneration, allowances and benefits of the staff and employees of the Commission in consultation with the National Salaries, Income and Wages Commission; and
 - (e) do such other things which in its opinion are necessary to ensure the efficient performance of the functions of the Commission under this Act.

PART II – FUNCTIONS OF THE COMMISSION

- 7. The Commission shall - Functions of the Commission.

- (a) regulate the operation and business of the national lottery in Nigeria;
- (b) in collaboration with the licensee, set standards, guidelines and rules for the operation of national lottery in Nigeria;
- (c) promote transparency, propriety and integrity in the operation of national lottery in Nigeria;
- (d) ensure the protection of the interests of players, stakeholders and the public in the national lottery;
- (e) carry out periodic assessment of the operation of national lottery in Nigeria and submit report to the President and the National Assembly; and
- (f) perform such other duties as may be directed by the President, from time to time, and as are necessary or expedient to ensure the efficient performance of the functions of the Commission under this Act.

PART III – STAFF OF THE COMMISSION

- 8. -(1) There shall be for the Commission, a Director-General who shall –
 - (a) be appointed by the President subject to confirmation by the Senate;
 - (b) be the chief executive and accounting officer of the Commission; and
 - (c) be responsible for the execution of the policy and day-to-day administration of the Commission.
 (2) The Director-General shall hold office -
 - (a) for a term of 4 years in the first instance and may be re-appointed for a further term of 4 years and no more; and
 - (b) on such terms and conditions as may be specified in his letter of appointment.
 (3) Notwithstanding the provisions of subsection (2) of this section, the Director-General may –
 - (a) resign his appointment by a notice in writing under his hand, addressed to the President through the Board; or
 - (b) be removed by the President for inability to discharge the functions of his office (whether arising from infirmity of mind or body or any other cause) or for misconduct or corruption.
- 9. The Commission may, subject to the approval of the Board, appoint such other staff as it may deem necessary and expedient, from time to time -
 - (a) for the proper and efficient performance of the functions of the Commission; and
 - (b) on such terms and conditions as may be determined, from time to time, by the Board.
- 10 Service in the Commission shall be subject to the provisions of the Pension Reform Act, and accordingly, officers and employees of the Commission shall be entitled to pensions and other retirement benefits as are prescribed under the Pension Reform Act.

Director-General of the Commission, etc.

Other staff of the Commission.

Act, 2004 No. 2

PART IV – FINANCIAL PROVISIONS

- 11 The Commission shall establish and maintain a fund to which shall be paid and credited

Fund of the Commission

- (a) any take-off grants from the Federal Government;
- (b) annual subventions and budgetary allocations from the Federal Government;
- (c) gifts, loans grants-in-aid from national, bilateral and multilateral organizations, agencies and bodies;
- (d) charges, fees and other internally generated revenues by the Commission; and
- (e) all other sums accruing to the Commission from time to time.

12 The Commission may, from time to time, apply the proceeds of the fund established under section 11 of this Act - Expenditure of the Commission.

- (a) to the cost of administration of the Commission;
- (b) to the payment of the emoluments, allowances and benefits of members of the Board and for reimbursing members of the Board or of any committee set up by the Board and for such expenses as may be expressly authorized by the Board;
- (c) to the payment of the salaries, fees or other remuneration or allowances, pensions, and other benefits payable to the staff and other employees of the Commission, so however that no payment of any kind under this paragraph (except such as may be expressly authorised by the Board) shall be made to any person who is in receipt of emoluments from the Government of the Federation or of a State;
- (d) for the development and maintenance of any property vested in or owned by the Commission;
- (e) for payment for all consultancies, legal fees and cost of contracts administration;
- (f) for payment for all purchases made by the Commission;
- (g) for maintaining general financial reserves subject to general or special directives that may be given in that behalf by the President in accordance with the provisions of this Act; and
- (h) for any expenditure in connection with all or any of its functions under this Act.

13 - (1) The Commission shall, not later than 30th September in each year, submit to the President an estimate of its expenditure and income (including payments to the Commission fund) for the next succeeding year. Annual estimates and accounts.

(2) The Commission shall keep proper accounts in respect of each year and proper records in relation to those accounts and shall cause its accounts to be audited within 3 months after the end of each year by auditors appointed from the list and in accordance with the guidelines supplied by the Auditor-General for the Federation.

14 The Commission shall prepare and submit to the President and the Auditor-General of the Federation not later than 31st March in each year a report in such form as the President may direct on the activities of the Commission during the immediate preceding year, and shall include in the report a copy of the audited accounts of the Commission for that year and of the auditor's report thereon. Annual reports

15 - (1) The Commission may accept gift of land, money or other property on such terms and conditions, if any, as may be specified by the person or organization making the gift. Power to accept gifts.

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(2) The Commission shall not accept any gift if the conditions attached by the person or organization making the gift are inconsistent with the functions of the Commission under this Act.

- 16 The Commission may, with the approval of the President, borrow by way of loan, overdraft or otherwise from any source such sums as it may require for the performance of its functions and meeting its obligations under this Act. Power to borrow

PART V - OPERATION OF NATIONAL LOTTERY, ETC.

National Lottery Licence

- 17 As from the commencement of this Act, the operation of the business of a national lottery or any lottery, by whatever name called, shall be subject to a licence granted by the President upon recommendation by the Commission and compliance with the provisions of this Act or any regulations made pursuant thereto. Operation of the business of a national lottery.

- 18 Any person or body corporate may submit application for a licence for the operation of the business of a national lottery to the President through the Commission in the prescribed form and upon the payment of such fees as may be prescribed, from time to time, by the Commission. Application for licence.

- 19 (1) The President may grant licence to any person or body corporate to operate a national lottery or any lottery, by whatever name called, if the President is satisfied that the applicant - Grant of licence.

(a) is a fit and proper person to manage the business or any part of the business of a national lottery;

(b) has the relevant knowledge, expertise and experience to manage the business or any part of the business of operating a national lottery;

(c) is capable of mobilizing sufficient financial resources to ensure financial viability of the business of operating a national lottery; and

(d) has made an undertaking to conduct the business of a national lottery with all due property, corruption free, accountability, transparency and protection of the interests of participating stakeholders and the public.

(2) Any licence granted under subsection (1) of this section may be subject to such terms and conditions as the President may, from time to time, determine and without prejudice to the generality of the foregoing, such conditions shall include -

(a) the percentage of the net proceeds payable to the Trust Fund established under section 35 of this Act and the frequency of such payment in respect of all individual lotteries operated pursuant to the licence; and

(b) whether or not the licence is exclusive in respect of all or individual lotteries operated by the licensee.

(3) If any change occurs in the information provided in the application for a licence by any person or body corporate (including any documents lodged with the application) before the application is granted or refused, the applicant shall forthwith submit to the President written particulars of the change.

- 20 -(1) Subject to subsection (2) of this section, a licence granted under section 19 of this Act shall be valid for a minimum period of 10 years and a maximum of 15 years: Duration of a licence.

(2) The President may, at least one year before the expiry of a licence, upon recommendation by the Commission, extend the term of the licence for such further

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period as the President may, from time to time determine, not being in excess of 10 years.

(3) During the duration of the licence, the licensee shall be entitled to use the words "national lottery" as an identification and endorsement for any or all lotteries operated under the licence.

21 -(1) Notwithstanding section 20 of this Act, a licence granted under this Act may be revoked by the President if -

Revocation of licence.

(a) the licensee is no longer a fit and proper person to carry on the business of a national lottery, whether arising from insolvency, liquidation or any other valid reason;

(b) there has been a contravention or a breach of any of the conditions contained in the licence;

(c) any person for whose benefit the licence has been acquired or who is a holding company of the licensee or who in any other way controls the licence, is not a fit and proper person to benefit from it, whether arising from insolvency, liquidation, confinement in prison or other institution or any other relevant reason;

(d) the licensee has failed to take adequate steps to prevent the Commission of fraud by its employees, after having been alerted or becoming aware of the conditions conducive to the commission of fraud, or to instances of fraud or dishonesty;

(e) the licensee or any of its employees unlawfully prevents the President, the Commission or any authorized person from carrying out his or its duties under this Act;

(f) the licensee fails to prevent or abate the violation of the provisions of this Act or the licence; or

(g) the licensee or any of its employees repeatedly and knowingly sells tickets or awards or pays prizes to any person contrary to the provisions of this Act.

(2) The President shall, if satisfied that there exists any ground for revocation as specified in subsection (1) of this section -

(a) notify the licensee in writing of the existence of such grounds; and

(b) request the licensee to furnish reasons, within 14 days of service of such notice at the registered address of the licensee as to why the licence should not be revoked.

(3) The President may -

(a) if satisfied with any reason furnished by the licensee pursuant to subsection (2) of this section, allow the licence to continue; or

(b) if not satisfied with the reasons furnished by the licensee, revoke the licence with or without the advice of the Commission.

(4) Where a licence is revoked under this section, appropriate compensation may be payable to the licensee subject to due valuation of all physical assets of the licensee relating to the business of a national lottery.

Miscellaneous Provisions Relating to a Licensee

22 No person holding a political office or in the public service of the Federation within the meaning of the Constitution of the Federal Republic of Nigeria shall have any financial interest in a national licensee or licence.

Certain restrictions on national lottery licence

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- 23. Subject to this Act, a licensee may, with the approval of the Commission, appoint, contract or otherwise engage any person or body corporate as an operator or agent to manage, promote, conduct or operate, on behalf of the licensee, all or any of the lotteries to which the licence relates. Appointment of agents by a licensee to manage lotteries, etc.

- 24. - (1) A licensee shall establish an operational fund to be known as the "prize fund" into which shall be paid a minimum return of 50 per cent of the proceeds of a national lottery. Application of proceeds of a national lottery
 (2) The prize fund established by the licensee pursuant to subsection (1) of this section shall be applied exclusively for the payment of prizes in respect of such lotteries from which the proceeds were realized.

 (3) A licensee shall pay to the Trust Fund established under section 35 of this Act within a period of not more than 90 days after the determination of the result of each lottery, an amount of 20 per cent of the proceeds of the lottery for the first 5 years of the licence, 25% in the subsequent 5 years and thereafter 27.5%.

- 25 - (1) A licensee shall submit to the President and the Commission, at such time and in such manner as the Commission may, from time to time, prescribe, financial statements, returns and other records relating to the lotteries operated pursuant to the licence. Financial statements and records of licensee.
 (2) A licensee shall keep proper accounts and records of the transactions and affairs of the licensee sufficient to explain the financial operations and financial position of the licensee.
 (3) A licensee may apply to the President, through the Commission, for an extension of time within which to submit the financial statement or return specified in subsection (1) of this section.

- 26 - (1) A licensee shall prepare and submit to the Commission not later than 30th June in each year a report in such form as the President or the Commission may direct on the activities of the licensee during the immediately preceding year, and shall include in the report a copy of the financial statement for the year submitted pursuant to section 25 of this Act and the audited accounts of the licensee for that year. Annual reports by licensee.

- 27 The licensee shall cause his or its accounts and financial statements to be audited within 6 months after the end of each year by external auditors in accordance with the provisions of the Companies and Allied Matters Act. Auditing of accounts and financial statements of the licensee. Cap.C20 LFN 2004.

- 28 Any external auditor appointed to audit the accounts of a licensee pursuant to section 27 of this Act - Powers of the external auditor.
 (a) shall have the rights to access at all times the books of the licensee in respect of the lotteries; and
 (b) may require from an employee or contractor of the licensee any information, assistance or explanation necessary for the performance of the duties of the auditor in relation to the audit.

- Sale of Lottery Tickets*

- 29 A ticket of any lottery under this Act shall be sold on behalf of a licensee through personal application, postage or electronic transmission - Sale of lottery tickets.
 (a) at the offices of the licensee;

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- (b) by sales agents appointed or contracted by the licensee;
- (c) automatic vending machines authorized by the licensee; or
- (d) by such other means or places as may be authorized or designated by the licensee from time to time.

30 - (1) No person shall obtain or attempt to obtain any direct or indirect financial gain for himself or for any other person by forming, conducting or assisting in forming or conducting a syndicate for the purchase of a ticket or electronic entry. Commercial lottery, syndicating prohibited. etc.

- (2) No person shall promote -
- (a) the formation of any syndicate for the purchase of a ticket or electronic entry; or
 - (b) any form of syndicate for the purchase of any ticket or making any electronic entry; or
 - (c) any scheme capable of assisting any other person to form any syndicate for the purposes of purchasing ticket or making electronic entry.

(3) Any person who contravenes the provisions of subsections (1) and (2) of this section commits an offence and shall be liable on conviction -

- (a) in the case of an individual, to a fine of not less than N50,000 or imprisonment for a term of not less than one year or to both such fine and imprisonment; or
- (b) in the case of a body corporate, to a fine of not less than N250,000 and in addition, each director, manager or officer of the body corporate shall be liable to a fine of not less than N50,000 or imprisonment for a term of not less than one year or to both such fine and imprisonment.

(4) It shall be a defence to a charge brought under this section if the person charged proves that -

- (a) the offence was committed by the body corporate without his consent or knowledge; or
- (b) he or she exercised due diligence to prevent the commission of the offence.

(5) This section does not apply to -

- (a) the licensee or operator; or
- (b) any sales agent of the licensee or operator with respect to any commission payment received under an agreement with licensee or operator.

Unclaimed Prizes

31 - (1) Subject to this Act and any other condition in the licence, the licensee shall undertake all best endeavours to find and make payment to all prize winners. Unclaimed prizes

- (2) A licensee may deduct from the prize fund the legitimate expenses incurred in finding and paying winners of prizes previously unclaimed.
- (3) Upon the expiration of a period of not less than 180 days following any lottery draw, the licensee shall retain any prizes remaining as part of the prize fund and such monies as remains unclaimed shall be used to pay future prizes.
- (4) A licensee may, at his own discretion, meet the legitimate claims of jackpot winners in respect of any prizes previously unclaimed for a period longer than 180

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days, from the prize fund maintained by the licensee pursuant to section 24 of this Act.

(5) A licensee may at his own discretion apply any part of the unclaimed prizes for supplementary draws for the promotion of social objectives of the national lottery.

General Provisions on National Lottery

32 The provisions of this Act shall apply to any licence to operate a national lottery existing immediately before the commencement of this Act and such licence shall be deemed to have been granted under this Act. Application of this Act to existing licence.

33 -(1) The President may enter into an agreement with the Government of any other country or State with respect to - Agreement with another country on national lottery.

- (a) the operation of a licence granted under this Act in that other country or State;
- (b) any contract, agreement or arrangement entered into by the licensee with any person or body corporate in another country or State to promote and conduct lotteries in that other country;
- (c) the payment of or exemption from payment of all or part of the contributions to the Trust Fund established under section 35 of this Act in connection with proceeds from lotteries derived from or in that other country or State;
- (d) the retention by that other country or State of all or part of the contributions referred to in paragraph (c) of this subsection;
- (e) the inclusion in the prize fund of the licensee maintained pursuant to section 24(1) of this Act to any lottery of all or any part of the proceeds from a lottery promoted in another country or State; and
- (f) any matter connected with or incidental to all matters covered under this subsection.

(2) Any agreement entered into pursuant to this section may be varied or rescinded by the parties thereto on such terms and conditions as may be agreed between them.

34 -(1) Any person who- General offences and penalties

- (a) forges any lottery ticket or causes any ticket to be forged,
- (b) knowingly disposes of, or attempts to sell or dispose of any forged or stolen ticket,
- (c) alters any number or figure or falsifies or otherwise disfigures any ticket with the intent to defraud,
- (d) with the intent to defraud, takes or converts to his own use or to use of any other person, any proceeds from a lottery operated by the licensee,
- (e) knowingly sells to any person under the age of eighteen years any ticket in a lottery operated by a licensee,
- (f) fraudulently or unlawfully holds himself out as an agent of the licensee,
- (g) as an incentive or inducement to enter into a contract, or as a condition or consequence of entering into a contract, gives a guarantee or promise to a person to the effect that the person will win a prize or share of a prize in a lottery,

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(h) conducts or promotes a scheme under which a guarantee or promise is given to a person participating in the scheme to the effect that the person will win a prize or share out of a prize in a lottery, or

(i) contravenes any provisions of this Act where no specific penalty is provided,

commits an offence and shall be liable on conviction to a fine of not less than N20,000 or imprisonment for a term of not less than one year or to both such fine and imprisonment.

(2) Where an offence under subsection (1) of this section is committed by a body corporate, the body corporate shall be liable to a fine of not less than N100,000 and in addition, each director, manager or officer of the body corporate shall be liable on conviction to a fine of not less than N20,000 or imprisonment for a term of not less than one year or to both such fine and imprisonment.

(3) Save as provided under this Act and notwithstanding the provision of any other enactment to the contrary, the operation of any lottery on a national basis or on interstate basis is hereby declared unlawful.

(4) Pursuant to the above provision, no person shall establish or conduct a lottery at national level or employ the use of a national platform or interstate basis to -

(a) conduct a lottery, either through personal application or any electronic transmission;

(b) print a ticket in a lottery;

(c) sell, buy or offer for sale or give or accept a ticket in a lottery;

(d) publish or exhibit in a newspaper or broadcast, telecast or on a notice by electronic means or otherwise any information relating to a lottery;

(e) sell or dispose of any property of any kind or allot any prize of money by means of a game of chance or a game of mixed chance and skill; or

(f) keep a house or place for the purpose of conducting a lottery, whether the house or place is used for any other purpose.

PART VI - ESTABLISHMENT OF THE NATIONAL LOTTERY TRUST FUND AND ITS BOARD OF TRUSTEES

35 - (1) There is established a fund to be known as the National Lottery Trust Fund (in this Act referred to as "the Trust Fund") into which shall be credited a percentage of the net proceeds of a national lottery as prescribed under section 24 of this Act.

Establishment of the National Lottery Trust Fund.

(2) The Trust Fund -

(a) shall be a body corporate with perpetual succession and a common seal;

(b) may sue or be sued in its corporate name; and

(c) shall have the power to acquire, hold, mortgage, purchase or deal howsoever with property, whether movable or immovable real or personal.

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- 36 -(1) There is established for the Trust Fund, a board of trustees to be known as the National Lottery Trust Fund Board of Trustees (in this Act referred to as "the Board of Trustees") which shall have overall control of the Trust Fund. Establishment and composition of the Board of Trustees for the Trust fund.
- (2) The Board of Trustees shall consist of -
- (a) a part-time chairman;
 - (b) the Permanent Secretary, Federal Ministry of finance;
 - (c) the Permanent Secretary, Federal Ministry of Sports and Social development;
 - (d) the Chairman and two members of the board of directors of the licensee;
 - (e) two major shareholders of the licensee; and
 - (f) six persons, one from each geopolitical zone, to represent public interest.
- (3) The Chairman and members of the Board of Trustees shall -
- (a) be appointed by the President; and
 - (b) serve on a part-time basis
- (4) The supplementary provisions set out in the Second Schedule to this Act shall have effect with respect to the proceedings of the Board of Trustees and the other matters mentioned therein. Second Schedule.
- 37 The Chairman and other members of the Board of Trustees, other than *ex-officio* members, shall each hold office- Tenure of office
- (a) for a term of 4 years in the first instance and may be re-appointed for a further term of 4 years; and
 - (b) on such terms and conditions as may be specified in his letter of appointment.
- 38 -(1) Notwithstanding the provisions of section 37 of this Act, a member of the Board of Trustees shall cease to hold office as a member of the Board of Trustees if - Cessation of membership
- (a) he resigns his appointment as a member of the Board of Trustees by notice, under his hand, addressed to the President;
 - (b) he becomes of unsound mind;
 - (c) he becomes bankrupt or makes a compromise with his creditors;
 - (d) he is convicted of a felony or of any offence involving dishonesty or corruption;
 - (e) he becomes incapable of carrying on the functions of his office either arising from an infirmity of mind or body; or
 - (f) the President is satisfied that it is not in the interest of the Commission or in the interest of the public for the person to continue in office and the President removes him from office.
- (2) Where a vacancy occurs in the membership of the Board of Trustees, it shall be filled by the appointment of a successor to hold office for the remainder of the term of office of his predecessor, so however that the successor shall represent the same interest as his predecessor.
- 39 The Chairman and members of the Board of Trustees shall be paid such emoluments, allowances and benefits as the President may, from time to time, approve. Emoluments, etc. of members

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40 The proceeds of the Trust Fund established under section 35 of this Act shall be applied, from time to time - Application of the Trust Fund.

(a) to fund projects approved by the President, on the recommendation of the Board of Trustees, to be in the interest of the Nigerian community and such projects shall include but not limited to projects for the advancement, upliftment and promotion of sports development, education, social services, public welfare and relief, and management of natural disasters in Nigeria;

(b) to the cost of administration of the Trust Fund;

(c) subject to section 39 of this Act, for the payment of emoluments, allowances and benefits of members of the Board of Trustees and for reimbursing members of the Board of Trustees or any committee set up by the Board of Trustees for such other expenses as may be expressly authorized by the Board of Trustees;

(d) for the payment of salaries, fees or other remuneration or allowances, pensions and other benefits payable to the staff and other employees of the Trust Fund, so however that no payment of any kind under this clause (except such as may be expressly authorized by the Board) shall be made to any person who is in receipt of emoluments from the Federal Government or of a State; and

(e) for and in connection with all or any of its functions made under this Act.

PART VII – POWERS OF THE BOARD OF TRUSTEES AND FUNCTIONS OF THE TRUST FUND

41 The Board of Trustees shall have power to - Powers of the Board of Trustees.

(a) acquire office for the use of the Trust Fund in such locations as it may deem necessary for the proper performance of its functions under this Act;

(b) fix the terms and condition of service including remuneration of the employees of the Trust Fund; and

(c) do such other things which in the opinion of the Board of Trustees are necessary to ensure the efficient performance of the Trust Fund.

42 The Trust Fund shall - Functions of the Trust Fund.

(a) receive and credit into its account, all monies payable into the Trust Fund under this Act;

(b) make all disbursement required to be made out of the Trust Fund under this Act;

(c) in collaboration with relevant agencies and bodies implement or facilitate the implementation of any project approved by the President on the recommendation of the Board of Trustees;

(d) carry out other activities as are necessary or expedient to ensure the effective performance of its functions under this Act.

PART VIII – STAFF OF THE TRUST FUND

43 -(1) There shall be for the Trust Fund, a Secretary who shall - Secretary of the Trust Fund.

(a) be appointed by the President;

(b) be the chief executive and accounting officer of the Trust Fund; and

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- (c) be responsible for the execution of the policy and day-to-day administration of the Trust fund.
- (2) The Secretary shall hold office –
- (a) for a term of 4 years in the first instance and may be re-appointed for a further term of 4 years and no more; and
- (b) on such terms and conditions as may be specified in his letter of appointment.
- (3) Notwithstanding the provisions of subsection (2) of this section, the Secretary may –
- (a) resign his appointment by a notice in writing under his hand, addressed to the President through the Board of Trustees; or
- (b) be removed by the President for inability to discharge the functions of his office (whether arising from infirmity of mind or body or any other cause) or for misconduct or corruption.
- 44 The Trust Fund may, subject to the approval of the Board of Trustees, appoint such other staff as it may deem necessary and expedient, from time to time –
- (a) for the proper and efficient performance of the functions of the Trust Fund; and
- (b) on such terms and conditions as may be determined, from time to time, by the Board.
- 45 Service in the Trust Fund shall be subject to the provisions of the Pension Reform Act, and accordingly, officers and employees of the Commission shall be entitled to pensions and other retirement benefits as are prescribed under the Pension Reform Act.
- 46 - (1) The Trust Fund shall, not later than 30th September in each year, submit to the President, through the Board of Trustees, an estimate of its expenditure and income (including payments to the Trust Fund) for the next succeeding year.
- (2) The Board of Trustees shall cause to be kept proper accounts of the Trust Fund in respect of each year and proper records in relation to those accounts and shall cause its accounts to be audited within three months after the end of each year by auditors appointed by the Board of Trustees from the list and in accordance with the guidelines supplied by the Auditor-General for the Federation.
- 47 The Trust Fund shall prepare and submit to the President, through the Board of Trustees not later than 31st March in each year a report in such form as the President may direct on the activities of the Trust Fund during the immediately preceding year, and shall include in the report a copy of the audited accounts of the Trust Fund for that year and of the auditor's report thereon.
- 48 - (1) The Trust Fund may accept gift of land, money or other property on such terms and conditions, if any, as may be specified by the person or organization making the gift.
- (2) The Trust Fund shall not accept any gift if the conditions attached by the person or organization making the gift are inconsistent with the functions of the Trust Fund under this Act.
- 49 The Trust Fund may, with the approval of the President, on the recommendation of the Board of Trustees, borrow by way of loan, overdraft or otherwise from any source such sums as it may require for the performance of its functions and meeting its obligations under this Act.

Other staff of the Trust Fund.

Act, 2004 No. 2.

Annual estimates and accounts

Annual reports.

Power to accept gifts

Power to borrow

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PART IX - LEGAL PROCEEDINGS

- 50 - (1) Subject to the provisions of this Act, the provisions of the Public Officers Protection Act shall apply in relation to any suit instituted against any member or officer or employee of the Commission or the Trust Fund. Limitation of suits against the Commission.' Etc Cap.P41 LFN 2004.
- (2) Notwithstanding anything contained in any other law or enactment, no suit against a member of the Board or Board of Trustees, the Director-General of the Commission or the Secretary of the Trust Fund or any other officer or employee of the Commission or Trust Fund for any act done in pursuance or execution of this Act or any other law or enactment, or of any public duties or authority or in respect of any alleged neglect or default in the execution of this Act or any other law or enactment, duties or authority, shall lie or be instituted in any court unless it is commenced -
- (a) within three months next after the act, neglect or default complained of; or
- (b) in the case of a continuation of damage or injury, within six months next after the ceasing thereof.
- (3) No suit shall be commenced against a member of the Board, the Board of Trustees, the Director-General of the Commission, the Secretary of the Trust Fund or any other officer or employee of the Commission or the Trust Fund before the expiration of a period of one month after written notice of the intention to commence the suit shall have been served on the Commission or the Trust Fund by the intending plaintiff or his agent.
- (4) The notice referred to in subsection (3) of this section shall clearly and explicitly state-
- (a) the cause of action;
- (b) the particulars of the claim;
- (c) the name and place of abode of the intending plaintiff; and
- (d) the relief which he claims.
- 51 A notice, summons or other document required or authorized to be served on the Commission or the Trust Fund under the provisions of this Act or any other law or enactment may be served by delivering it to the Director-General of the Commission or the Secretary of the Trust Fund or by sending it by registered post addressed to the Director-General of the Commission at the principal office of the Commission. Service of documents.
- 52 - (1) In any action or suit against the Commission or the Trust Fund, no execution or attachment of process in the nature thereof shall be issued against the Commission or the Trust Fund unless not less than three months notice of the intention to execute or attach has been given to the Commission or the Trust Fund. Restriction on execution against property of the Commission of the Trust Fund.
- (2) Any sum of money which by the judgment of any court has been awarded against the Commission or the Trust Fund shall, subject to any direction given by the court, where no notice of appeal against the judgment has been given, be paid from the fund of the Commission or the Trust Fund.
- 53 A member of the Board or Board of Trustees, the Director-General or any officer or employee of the Trust Fund shall be indemnified out of the assets of the Commission or the Trust Fund against any liability incurred by him in defending any proceeding, whether civil or criminal, if the proceeding is brought against him in his capacity as a member, Director-General, Secretary or officer or other employee of the Commission or the Trust Fund, as the case may be. Indemnity of officers.

PART X – MISCELLANEOUS PROVISIONS

54 The President may give to the Commission or the Trust Fund, the Director-General of the Commission or the Secretary of the Trust Fund such directives of a general nature or relating generally to matters of policy with regard to the exercise of its or his functions under this Act as he may consider necessary and the Commission or the Trust Fund, the Director-General of the Commission or the Secretary of the Trust Fund shall comply with the directives or cause them to be complied with.

Directives by the President, etc.

55 -(1) The Board may, with the approval of the President, make such regulations as in its opinion are necessary or expedient for giving full effect to the provisions of this Act and for the due administration of its provisions relating to the Commission.

Powers to make regulations

(2) The Board of Trustees of the Trust Fund may, with the approval of the President make such regulations as in its opinion are necessary or expedient for giving full effect to the provisions of this Act and for the due administration of its provisions relating to the Trust Fund.

(3) Without prejudice to the generality of subsection (1) of this section, the Board or the Board of Trustees may issue guidelines to give full effect to the respective relevant provisions of this Act.

56 -(1) A member of the Board or the Board of Trustees, the Director-General or the Secretary or any other officer or employee of the Commission or the Trust Fund shall -

Secrecy

(a) not, for his personal gain, make use of any information which has come to his knowledge in the exercise of his powers or is obtained by him in the ordinary course of his duty as a member of the Board or as the Director-General, Secretary, officer or employee of the Commission or the Trust Fund;

(b) treat as confidential any information which has come to his knowledge in the exercise of his powers or is obtained by him in the performance of his duties under this Act;

(c) not disclose any information referred to under paragraph (b) of this subsection, except where required to do so by a court or in such other circumstances as may be prescribed by the Board, from time to time.

(2) Any person who contravenes the provisions of subsection (1) of this section commits an offence and shall on conviction be liable to a fine of not less than N50,000 or imprisonment for a term not exceeding 2 years or to both such fine and imprisonment.

57 In this Act -

Interpretation

“Board” means the Governing Board of the Commission established under section 2 of this Act;

“Board of Trustees” means the National Lottery Trust Fund Board of Trustees established under section 36 of this Act;

“Chairman” means the Chairman of the Governing Board of the Commission or the Chairman of the Board of Trustees appointed under sections 2 and 36 of this Act respectively;

“Commission” means the National Lottery Regulatory Commission established under section 1 of this Act;

“Director-General” means the Director-General of the Commission appointed under section 8 of this Act;

“member” means a member of the Governing Board of the Commission or a member

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of the Board of Trustees, as the case may be, and includes the Chairman of the Commission or the Board of Trustees;

“Licence” means a licence to operate a national lottery granted under this Act;

“Licensee” means the person to whom a licence to carry on the business of a national lottery has been issued pursuant to this Act;

“lottery” or “lotteries” includes any game, scheme, arrangement, system, plan, promotional competition or device for the distribution of prizes by lot or chance, or as a result of the exercise of skill and chance or based on the outcome of sporting events, or any other game, scheme, arrangement, system, plan, competition or device, which the President may by notice in the Gazette declare to be lottery and which shall be operated according to a licence;

“net proceeds” means that proportion of the proceeds that remains after the payment of prizes in the lottery, a part of which is payable to the Trust Fund or the Board of Trustees thereof;

“operator” means licensee or any other person or company engaged by the licensee to operate a lottery;

“participant” in relation to a lottery means a person who is in possession of a valid ticket in that lottery;

“President” means the President of the Federal Republic of Nigeria;

“Prize” means a prize due to a participant who holds a winning ticket in a lottery conducted by the licensee;

“prize fund” means the fund established by a licensee pursuant to section 24 of this Act;

“Proceeds” means the gross monetary amount spent by participants on the purchase of tickets in respect of each lottery conducted under a licence;

“relevant financial interest” in relation to a business conducted under a licence issued pursuant to this Act by a licensee includes any -

- (a) share in the capital of the business;
- (b) entitlement to receive any income derived from the business; or
- (c) entitlement to receive any payment as a result of money advanced;

“relevant period” means the financial year of the licensee as required and governed by the Companies and Allied Matters Act;

Cap. C20, LFN, 2004

“Secretary” means the Secretary of the Trust Fund appointed under section 43 of this Act;

“ticket” means any receipt, symbol, sign, token, warrant, card, printed paper, document or any other means or device including an electronic record, which entitles a participant to take part in a lottery;

“Trust Fund” means the National Lottery Trust Fund established under section 35 of this Act;

“unclaimed prizes” means prizes payable in respect of winning tickets in a lottery which have not been claimed by the ticket owner within the claim period specified in the lottery rules.

58 This Act may be cited as the National Lottery Act, 2005.

Short title

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FIRST SCHEDULE

Section 2(4)

SUPPLEMENTARY PROVISIONS RELATING TO THE COMMISSION

Proceedings of the Board

1. Subject to this Act and section 27 of the Interpretation Act, the Board shall have power to regulate its proceedings and may make standing orders with respect to the holding of its meetings, and those of its committees, notices to be given, the keeping of minutes of its proceedings, the custody and production for inspection of such minutes and such other matters as the Commission may, from time to time, determine.

Cap. 123 LFN
2004

2.-(1) There shall be at least four ordinary meetings of the Board in every calendar year and subject thereto, the Board shall meet whenever it is convened by the Chairman, and if the Chairman is requested to do so by notice given to him by not less than 3 other members, he shall convene a meeting of the Board to be held within 14 days from the date on which the notice was given.

(2) Every meeting of the Board shall be presided over by the Chairman and if the Chairman is unable to attend a particular meeting, the members present at the meeting shall elect one of their members to preside at the meeting.

3. The quorum of any meeting of the Board shall consist of the Chairman (or in an appropriate case, the person presiding at the meeting pursuant to paragraph 2 of this Schedule) and two other members.

4. The Board shall meet for the conduct of its business at such places and on such days as the Chairman may appoint.

5. A question put before the Board at a meeting shall be decided by consensus and where this is not possible, by majority of the votes of the members present and voting.

6. The Chairman shall, in the case of an equality of votes, have a casting vote in addition to his deliberative vote.

7. Where the Board seeks the advice of any person on a particular matter, the Board may invite that person to attend for such period as it thinks fit, but a person who is invited by virtue of this paragraph shall not be entitled to vote at any meeting of the Board and shall not count towards the quorum.

Committees

8. The Board may appoint one or more committees to carry out on behalf of the Board such of its functions as the Board may determine and report on any matter with which the Board is concerned.

9. A committee appointed under paragraph 8 of this Schedule shall be presided over by a member of the Board and consist of such number of persons (not necessarily all members of the Board) as may be determined by the Board, and a person other than a member of the Board shall hold office on the committee in accordance with the terms of his appointment.

10. A decision of a committee of the Board shall be of no effect until it is confirmed by the Board.

Miscellaneous

11. The fixing of the seal of the Commission shall be authenticated by the signature of

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the Chairman and the Director-General or the Director-General and such other person authorized by the Board to act for that purpose.

12. A contract or an instrument which, if made or executed by any person not being a body corporate, would not be required to be under seal, may be made or executed on behalf of the Commission by the Chairman or the Director-General or by any person generally or specifically authorized to act for that purpose by the Board.

13. A document purporting to be a contract, an instrument or other document signed or sealed on behalf of the Commission shall be received in evidence and, unless the contrary is proved, be presumed without further proof, to have been properly signed or sealed.

14. The validity of any proceedings of the Board or its committees shall not be affected by -

- (a) any vacancy in the membership of the Board or its committees; or
- (b) reason that a person not entitled to do so took part in the proceedings; or
- (c) any defect in the appointment of a member.

15. Any member of the Board or committee thereof who has a personal interest in any contract or arrangement entered into or proposed to be considered by the Board or any committee thereof -

- (a) shall forthwith disclose his interest to the Board or committee; and
- (b) shall not vote on any question relating to the contract or arrangement.

SECOND SCHEDULE *Section 36(4)*
SUPPLEMENTARY PROVISIONS RELATING TO THE TRUST FUND

Proceedings of the Board of Trustees

1. Subject to this Act and section 27 of the Interpretation Act, the Board of Trustees shall have power to regulate its proceedings and may make standing orders with respect to the holding of its meetings, and those of its committees, notices to be given, the keeping of minutes of its proceedings, the custody and production for inspection of such minutes and such other matters as the Trust Fund may, from time to time, determine.

Cap. 123 LFN
2004

2.-(1) There shall be at least four ordinary meetings of the Board of Trustees in every calendar year and subject thereto, the Board of Trustees shall meet whenever it is convened by the Chairman, and if the Chairman is requested to do so by notice given to him by not less than 3 other members, he shall convene a meeting of the Board of Trustees to be held within 14 days from the date on which the notice was given.

(2) Every meeting of the Board of Trustees shall be presided over by the Chairman and if the Chairman is unable to attend a particular meeting, the members present at the meeting shall elect one of their members to preside at the meeting.

3. The quorum of any meeting of the Board of Trustees shall consist of the Chairman (or in an appropriate case, the person presiding at the meeting pursuant to paragraph 2 of this Schedule) and four other members.

4. The Board of Trustees shall meet for the conduct of its business at such places and

on such days as the Chairman may appoint.

5. A question put before the Board of Trustees at a meeting shall be decided by consensus and where this is not possible, by a majority of the votes of the members present and voting.

6. The Chairman shall, in the case of an equality of votes, have a casting vote in addition to his deliberative vote.

7. Where the Board of Trustees seeks the advice of any person on a particular matter, the Board of Trustees may invite that person to attend for such period as it thinks fit, but a person who is invited by virtue of this paragraph shall not be entitled to vote at any meeting of the Board of Trustees and shall not count towards the quorum.

Committees

8. The Board of Trustees may appoint one or more committees to carry out on behalf of the Board such of its functions as the Board of Trustees may determine and report on any matter with which the Board of Trustees is concerned.

9. A committee appointed under paragraph 8 of this Schedule shall be presided over by a member of the Board of Trustees and consist of such number of persons (not necessarily all members of the Board of Trustees) as may be determined by the Board of Trustees, and a person other than a member of the Board of Trustees shall hold office on the committee in accordance with the terms of his appointment.

10. A decision of a committee of the Board of Trustees shall be of no effect until it is confirmed by the Board of Trustees.

Miscellaneous

11. The fixing of the seal of the Trust Fund shall be authenticated by the signature of the Chairman and the Secretary or the Secretary and such other person authorized by the Board of Trustees to act for that purpose.

12. A contract or an instrument which, if made or executed by any person not being a body corporate, would not be required to be under seal, may be made or executed on behalf of the Trust Fund by the Chairman or the Secretary or by any person generally or specifically authorized to act for that purpose by the Board of Trustees.

13. A document purporting to be a contract, an instrument or other document signed or sealed on behalf of the Trust Fund shall be received in evidence and, unless the contrary is proved, be presumed without further proof, to have been properly signed or sealed.

14. The validity of any proceedings of the Board of Trustees or its committees shall not be affected by -

- (a) any vacancy in the membership of the Board of Trustees or its committees; or
- (b) reason that a person not entitled to do so took part in the proceedings; or
- (c) any defect in the appointment of a member.

15. Any member of the Board of Trustees or committee thereof who has a personal interest in any contract or arrangement entered into or proposed to be considered by the Board of Trustees or any committee thereof -

- (a) shall forthwith disclose his interest to the Board of Trustees or committee; and
- (b) shall not vote on any question relating to the contract or arrangement.

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**I CERTIFY, IN ACCORDANCE WITH SECTION 2(1) OF
THE ACTS AUTHENTICATION ACT, CAP. A2, THE
LAWS OF THE FEDERATION OF NIGERIA 2004, THAT
THIS IS A TRUE COPY OF THE BILL PASSED BY BOTH
HOUSES OF THE NATIONAL ASSEMBLY.**



**IBRAHIM SALIM, CON
CLERK, TO THE NATIONAL ASSEMBLY**


24th Day of March, 2005.

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SCHEDULE TO THE NATIONAL LOTTERY BILL, 2005


| (1) SHORT TITLE OF THE BILL | (2) LONG TITLE OF THE BILL | (3) SUMMARY OF THE CONTENTS OF THE BILL | (4) DATE PASSED BY THE SENATE | (5) DATE PASSED BY THE HOUSE OF REPRESENTATIVES |
|-----------------------------------|---|---|-------------------------------------|--|
| National Lottery Bill, 2005 | An Act to provide for the National Lottery, establishment of the National Lottery Regulatory Commission and the National Lottery Trust Fund; and for related matters. | This Bill seeks to provide for the operation of the National Lottery and the establishment of the National Lottery Regulatory Commission charged with the responsibility for the business of national lottery in Nigeria as well as the establishment of a National Lottery Trust Fund. | 2 nd March, 2005 | 22 nd March, 2005 |

I certify that this Bill has been carefully compared by me with the decision reached by the National Assembly and found by me to be true and correct decision of the Houses and is in accordance with the provisions of the Acts Authentication Act Cap. A2, the Laws of the Federation of Nigeria, 2004.

 CWA
24/3/2005

IBRAHIM SALIM, CON
Clerk to the National Assembly
24th Day of March, 2005

I ASSENT.


CHIEF OLUSEGUN OBASANJO, GCFR
President of the Federal Republic of Nigeria
30th Day of March, 2005