

Unofficial translation



Lao People's Democratic Republic
Peace Independence Democracy Unity Prosperity

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Ministry of Finance

No.: 1332/MoF

Vientiane Capital, dated: 17 June 2009

INSTRUCTION
of
the Ministry of Finance on the Management of Lottery Business

- Pursuant to the Decree of the Prime Minister of the Lao PDR on the Organization and Operation of the Ministry of Finance No.: 80/PM, dated 28 February 2007.
- Pursuant to the Decision of the Prime Minister of the Lao PDR on the Management of the Lottery Business No.: 70/PM, dated 01 July 2008.
- Pursuant to the President Ordinance of the Lao PDR on the Management of Foreign Currency and Precious Metal No.: 01/PDR, dated 09 August 2002.
- Pursuant to the Notice of the Government Secretariat No.: 1536/GS, dated 02 September 2008.
- Pursuant to the consensus of the III meeting on the summary of lottery work countrywide dated 16-17 February 2009.

In order for lottery business and all types of similar business to operate in accordance with laws and regulations and to manage such businesses on a centralized basis by the Ministry of Finance as reference for the mutual implementation countrywide.

The Minister of Finance hereby issues an Instruction:

I. Objectives

This Instruction defines regulations, principles, organization, operation of lottery business and all types of similar business in order to focus on a systematic, centralized and proper management in accordance with laws and regulations.

To serve the physical and mental demand of relaxation of people who like to take a chance for prizes from all types of development lottery, to contribute in collection part of cash in the market to the financial-banking system and to help generating revenues to the state budget as well as to limit illegal gamble.

To create employment and generate income for Lao citizens countrywide as appropriate.

II. Management of Lottery Business

The Ministry of Finance is assigned to manage lottery business and all types of similar business, and established the Lao Development Lottery State-owned Enterprise to manage and operate printing – distributing lotteries countrywide.

1. Management

1.1. The Ministry of Finance is assigned to manage lottery business based on Item 4, Article 6 of the Decree No.: 80/PM, dated 28 February 2007, and assigns the Lao Development Lottery State-owned Enterprise to operate business.

1.2. The Lao Development Lottery State-owned Enterprise is a state-owned enterprise operating its business as a legal entity under the supervision of the Ministry of Finance.

1.3. In provinces, capital Divisions of Finance, the district Office of Finance have a duty to manage the operation of a lottery business according to laws, to create conditions and facilitate business operators who distribute lotteries within their jurisdiction, to collect taxes from the distributors into the state budget and are prohibited from collecting other financial obligations not stated in the laws and regulations.

2. Lottery Draw

2.1. The management committee of lottery draw shall participate, witness, record and certify the results, total selling value, winning value of each lottery types of each lottery draw as evidence.

2.2. The management committee of lottery draw at central level are appointed by the Minister of Finance as per the review and agreement of relevant stakeholders consisting of:

- A representative from the Ministry of Finance (Department of State-owned Enterprise Financial Management)
- A representative from the National Assembly
- A representative from the Prime Minister's Office
- A representative from the Ministry of Justice
- A representative from the Ministry of Public Security (Economic Police Department)
- A representative from the Ministry of Information and Culture
- A representative from the Central Lao Front for National Construction's Office

Such committee has the following rights and duties:

- To participate in each lottery draw ceremony organized by the Lao Development Lottery State-owned Enterprise.
- To check readiness of devices used for lottery drawing.
- To monitor each lottery drawing.
- To check and certify an actual result of each lottery draw.
- To issue a press release when societies have issues or doubts relating to the performance of duties of the committee.

2.3. The management committees of lottery draw at provincial level (local level) are appointed by a provincial, capital governor as per the review and agreement of relevant stakeholders consisting of:

- A representative from the provincial Division of Finance (state-owned enterprise financial management authority)
- A representative from the district Constituent Assembly
- A representative from the Provincial Governor's Office
- A representative from the Division of Justice
- A representative from the Provincial Public Security Authority (Economic Police)
- A representative from the Division of Information and Culture
- A representative from the Lao Front for National Construction's Office

For each lottery draw, the management committees of lottery draw shall be present at the lottery distributor's office at least one hour prior to the lottery draw, and the committees shall consist of at least three members to be eligible to perform their duties.

Such committees have the following rights and duties:

- To inspect the total selling value per each lottery draw whether it is in accordance with a contract signed with the Lao Development Lottery State-owned Enterprise or not before distributing them to the distributing units.
- To inspect whether or not the return of remaining lotteries from distributing units is correct and consistent with number of lotteries initially provided to such unit and in a timely manner.
- To monitor by listening to the live broadcasting of lottery result from the Lao National Radio or via mobile phone or other means.
- To inspect the lottery result by checking the number of lottery sold in that set. If there is a winner, at least two signatures shall be affixed on such set. If there is no winner, the set shall be crossed out.
- To summarize winning lotteries and signature certifying the winning result of each draw.
- To approve total lottery sale of each draw as evidence.
- To have the rights to additionally question the lottery distributors or sellers in order to find details regarding winning lotteries or distribution prior to the consideration for approval.
- To summarize lessons learnt and report to the Division of Finance every month regularly.

2.4. The management committees are prohibited from approving the sale or winning lottery after the lottery draw date.

2.5. The management committees of lottery draw at central and provincial levels are to be rotated within 3 years. In case of necessity for changing staff such as: transferring staff to a new position, to perform official work and others, relevant authorities are to nominate replacing staff, but 1 former staff shall remain to continue leading the performance of duties.

2.6. A head of a lottery distributor has a duty to coordinate and facilitate the management committees perform their duties, to determine appropriate wages for the committees as well as to propose the committees to consider matters regarding the winning of lotteries or lottery sale (if any).

3. Scope of Application

This Instruction applies to the Lao Development Lottery State-owned Enterprise, distributors, distributing units and sellers of development lotteries in the Lao People's Democratic Republic.

Apart from the above parties, other organizations ranging from central to local level as well as a natural person are prohibited from printing-distributing lotteries.

III. Types of Lottery permitted to be printed-distributed in the Lao PDR

1. Types of Development Lottery are as following:

- (1) A traditional lottery with 4 or 5 digits.
- (2) A last 2 or 3 digit label lottery.
- (3) A written lottery with 2 or 3 digits.
- (4) A scratch lottery.
- (5) A lotto lottery.
- (6) An electronic lottery with 2 or 3 digits.
- (7) Other lotteries as approved by the Ministry of Finance.

2. Printing of Lotteries

The Ministry of Finance permits the Lao Development Lottery State-owned Enterprise to print-distribute all types of lotteries countrywide.

3. Principle for Selling Lotteries

Selling price, prize value and commission from selling lotteries is determined by the Minister of Finance in each period.

The tax authority is in charge of managing and collecting tax obligation from lottery businesses in accordance with the Law in Tax and the Instruction of the Minister of Finance No.: 2073/MoF, dated 30 September 2004 on Tax Compliance, Dividend Payment of Lao Development Lottery State-owned Enterprise, distributors and retailers of lotteries countrywide and prohibition of illegal lottery not permitted by the Ministry of Finance.

4. Distribution of Lotteries

Lottery business operation is to mobilize funds from societies to contribute to the national development by creating an environment where citizens can take a chance to win prizes and to limit illegal gamble by assigning different domestic sectors to jointly provide lotteries on an exclusive basis and in accordance with laws and regulations.

5. Determination of Lottery Prizes

Each type of lottery shall clearly and duly state prizes as stipulated by the Minister of Finance, and the Lao Development Lottery State-owned Enterprise is assigned to appropriately allocate prize structure of each type and item prizes cannot be awarded in cash and if the given timeframe for claiming prizes is over, it shall be deemed as waiver.

6. Sale of Lotteries

Each type lottery shall be sold in based on approved quantity and price, and the lottery distributors in provinces and Vientiane Capital are entitled to operate lottery business and priority shall be given to a former soldiers, retired officers, disable and a vulnerable people to be lottery sellers (retailers or distributing units) in order to sell lotteries provided by the distributors in accordance with regulations.

7. Return of Lotteries

Each type of lottery provided to distributors in provinces and Vientiane Capital shall be inspected in terms of set number, lottery number, code, order number and other technical according to regulations.

Any leftover lottery after sale (remaining lotteries) shall be returned to the lottery distributors in provinces and Vientiane Capital prior to the lottery draw. The management committees of the lottery draw shall inspect and record the results of the inspection and certify the results.

8. Prohibited Lotteries

Ministries, ministry-equivalent bodies, governmental organizations, local administrative authorities, Lao Front for National Construction, mass organizations, social organizations, business units, natural persons and relevant authorities are prohibited from printing and distributing all types of lotteries by themselves without approval from the Ministry of Finance.

IV. Lottery Draw and Granting of Prizes

1. Lottery Draw

The Ministry of Finance authorizes the Lao Development Lottery State-owned Enterprise to organize a lottery draw of each type of lotteries on a centralized basis, and the results shall be effective countrywide.

2. Determination of Lottery Draw Date of each type of Lottery:

- (1) A traditional lottery with 4 or 5 digits and a last 2 or 3 digits lottery shall be drawn 2 times a month.
- (2) A label lottery with 2 or 3 digits, 5 digits lottery shall be drawn 1 time a month.
- (3) A written lottery with 2 or 3 digits shall be drawn on every Thursday of each month.
- (4) An electronic lottery with 2 or 3 digits shall be based on the last 2 or 3 digits result of the first prize of item (1), (2), (3) above.
- (5) A lotto lottery shall be drawn 2 times a month.
- (6) A scratch lottery contains prizes on the lottery (no draw date, a buyer may scratch on a designated space on the lottery and win prizes as stipulated on it).
- (7) Other permitted lotteries shall be drawn on a date stipulated as appropriate.

3. Timeframe for Claiming Prizes

The Lao Development Lottery State-owned Enterprise, distributors are in charge of granting prizes to the lottery winner directly from the date of lottery draw. Each type of lottery has timeframe for claiming prizes as following:

- (1) 30 days from the drawn date for claiming prizes of a traditional lottery with 4 or 5 digits and lotto lottery.
- (2) 10 days from the drawn date for claiming prizes of a last 2 or 3 digits lottery, a written lottery with 2 or 3 digits, an electronic lottery with 2 or 3 digits.

4. Conditions for Claiming Prizes

A lottery winner shall have a winning lottery provided that such lottery is in its original condition, no alteration, cross, and a winning lottery can be claimed for one prize only.

5. Remaining payable Prizes

Remaining payable prizes after calculation and a signed record between the Lao Development Lottery State-owned Enterprise and distributors countrywide shall comply with the following:

The remaining payable prizes after each calculation and a signed record is to be paid to the Lao Development Lottery State-owned Enterprise in an amount not more than half of the total amount of remaining payable prizes, and the remain from such payment shall be transferred to the provincial, capital budget.

V. Standards, Criteria of Lottery Distributors, Distributing Units and Sellers

a. Distributors

1. To have an appropriate market condition for the establishment of lottery distributors.

2. An applicant for a lottery distributor shall be healthy, good manner, honest, without any infected disease, respect the organization, adhere to applicable requirements and rules issued by the Lao Development Lottery State-owned Enterprise, approved by local administrative authorities at provincial level and agreed by the Ministry of Finance.

3. To obtain an upper secondary diploma and finance or accounting diploma (at medium vocational education level), having experience working related to development lotteries will be an advantage.

4. To be capable of organizing a workplace, tools and equipment serving their business operation.

5. To have capital to ensure payment of exclusive purchase of development lotteries each time, transport cost, contractual deposit money of 1.5% of total value of each lot of distributing lottery, a deposit to secure prize winning of 10% of total winning prize of each time in cash or a bank letter of guarantee in accordance with the contract duration and being responsible for their own income-expense and profit-loss.

6. To be capable of and responsible for management and administration of each lottery type by themselves, and being prohibited from granting their appointment letter as a distributor to others to operate the business.

b. Distributing Units

1. To be healthy, good manner, honest, without any infected disease, respect the organization, adhere to applicable requirements and rules issued by the Lao Development Lottery State-owned Enterprise

2. To obtain a lower secondary diploma and finance or accounting diploma (at lower vocational education level), having experience working related to development lotteries will be an advantage.

3. To have a workplace, tools and equipment serving the business operation.

4. To have a deposit with a distributor.

4.1. For a distributing unit that receives commission from a distributor as percentage of sales, is to deposit 1.5% of total value of each lot of distributing lottery.

4.2. For a distributing unit that exclusively purchases lotteries from a distributor, is to deposit 0.75% of total value of each lot of distributing lottery and maximum 5% of total winning prizes.

5. To be responsible for the management and administration each development lottery type by themselves.

c. Sellers of Lotteries

1. To be a Lao citizen with 15 years of age or over regardless of gender.

2. To be healthy, good manner, honest, without any infected disease, respect the organization, adhere to applicable requirements and rules issued by the Lao Development Lottery State-owned Enterprise and laws.

3. To obtain a primary education diploma or above.

4. To have tools serving the sale of lottery such as: a vehicle, a table, a chair, a pen, a seller name seal, paper clips and so on.

5. To focus on the sale target stipulated by a distributor.

6. To be persuasive on convincing people who like to take a chance to win prizes.

7. To have a code issued by a distributor in order to issue a seal for selling lotteries.

8. To be capable to sell all types of lotteries by himself/herself and prohibited from assigning others to sell, ceasing the sale and transferring rights to others to sell on his/her behalf without permission.

VI. Inspection of Lottery Business

The Ministry of Finance, the Lao Development Lottery State-owned Enterprise and relevant authorities by coordinating with local administrative authorities are in charge of

inspecting and limiting illegal lottery draw, printing-distributing of illegal lotteries without permission of the Ministry of Finance.

In order to ensure the compliance with regulations and actual conditions, lottery business shall be inspected by relevant authorities in accordance with applicable laws and regulations.

VII. Awards for Good Performance and Measures against Violators

1. Awards for Good Performance

- Organizations, legal entities or individuals that comply with this Instruction such as: supplying information and reporting to the relevant officers or administrative authorities regarding the distribution or printing of illegal lotteries without permission from competent authorities as reference for prosecuting violators will receive an award from the provincial Division of Finance or district Office of Finance and receive money from fines as appropriate as following:

- To be awarded by 30% (thirty percent) of fine amount per time for a reporting person.
- Another 70% each time is to be transferred to the authorities, local administrative authorities that inspect and prosecute violators in order to pay for their operation.

2. Measure against Violators

Individuals, legal entities, or organizations that violate this Instruction will be educated, warned, fined, or preceded in accordance with laws on case by case basis.

3. Warning Measure

- Individuals, legal entities, or organizations that violate this Instruction shall be subject to:

1st Offense: To be educated, warned to cease the printing and distribution of illegal lotteries without permission and sign a record as evidence.

2nd Offense: organizations, legal entities or individuals that continue operating will be warned and fined.

4. Warning Measure

- Organizations, legal entities or individuals that print-distribute illegal lotteries shall be fined as following:
 - After receiving the first warning, if violators continue such violation, such organizations, legal entities or individuals will be fined 50% of the total value of found printed-distributed illegal lotteries.
 - After the first fine if violators continue such violation they will be fined 100% of total value of found printed-distributed illegal lotteries.
 - In case violators continue such violation, the fine amount will increase from the previous fine 50% of total value of printed-distributed illegal lotteries, and the relevant officers will prosecute the violators in accordance with applicable laws and regulations of the Lao PDR.

VIII. Final Provisions

1. Implementation

Ministries, ministry-equivalent bodies, governmental organizations, local administrative authorities, Lao Front for National Construction, mass organizations, social organizations, business units, enterprises and relevant authorities shall acknowledge and cooperate to strictly implement this Instruction on the Management of Lottery Business.

- This Instruction replaces the Decisions previously used that conflict with this Instruction.

2. Effectiveness

This Instruction is effective from the date of signature.

Minister of Finance

[Signature and seal]

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