

# LAGOS STATE LOTTERIES BOARD

*...we promote, we protect, we regulate*



## **Our Mission**

To regulate and consolidate the lottery industry with a view to protecting the interest of stakeholders.

## **Our Vision**

To meet world lottery organisational standard and be the most successful regulatory body in Nigeria.

## **Our Core Values**

- Commitment to excellence
- Integrity
- Team work
- Passion for what we do
- Customer service orientation

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## Foreword

The Lagos State Lotteries Board (LSLB) is unique in Nigeria. It has a pioneer status in the country as a lottery regulatory body. The Board was established by the Lagos State Lotteries Laws Cap L89 2004 Laws of Lagos State. It is responsible for regulating lotteries, promotional competition and gaming activities within Lagos State. When the Board commenced operations in 2005, it was saddled with the responsibility of setting up a regulatory framework that was not only at par with international standards but would also stand the test of time. At the time, coupon/paper lottery was the order of the day and computation of taxes payable was difficult because there were no scientific means of determining the amount payable for Good Causes Projects by operators. Even lottery operators could not accurately account for sales revenue, while stakers and players were at the mercy of the operators. The government was losing revenue to illegal lottery activities.

The Board laid the foundation of what is today a stable Lagos State lottery industry. The management of the Board brought to bear industry experience spanning many years to facilitate the setting up of a platform for monitoring the lottery industry, implementing policies and ultimately sanitising the industry.

Today, all stakeholders in the Lagos State lottery industry are aware of the standards and responsibilities. The use of coupon paper for lottery is now widely accepted as an illegal act and all licensees have transitioned to online operations. Our monitoring and inspection unit is working tirelessly to ensure compliance with best practice. In terms of revenue generation for Good Causes projects, there is a widely acceptable method of determining taxes to the government, winning to stakers and the accurate verification of sales proceeds of operators.

The primary objective for this publication is to create awareness and provide basic information about the operation and regulation of lottery and gaming activities. Moving forward, efforts will be made to update this information in subsequent editions of the publication.

*Lanre Gbajabamila*  
*General Manager/CEO*  
*Lagos State Lotteries Board*

## Overview

At the inception of the Lotteries Board, Lagos State adopted a single-operator model and granted exclusive licence to an operator. However, due to the peculiarity of the environment and the continued challenges posed by illegal operators, the profitability and success of the exclusive licensee was adversely affected. This led to the review and amendment of the Law in 2008 and paved the way for a multi-operators model. The highlights of the amended Lagos State Lotteries Law are:

- Removal of the exclusivity clause on lottery operation
- Retention of the Lagos State lottery licence
- Introduction of multiple Public Online Lottery licence
- Reduction of licence duration to 5 years
- Eradication of coupon/paper lottery
- Introduction of 'online' lottery operation (automated lottery operation)
- Expansion of the jurisdiction of the Board to regulating all aspects and types of lotteries and gaming

Following the amendment, a proper management structure was put in place at LSLB to provide regulatory support and administration to the industry. LSLB has continually intensified efforts to eradicate illegal lottery operations, organise and stabilise the lottery industry. As part of its

mandate, LSLB strives to contribute to the development of Lagos State. In compliance with the provision of its enabling Law, the Lagos State Lottery Distribution Trust Fund (DTF) was created to administer revenue generated from gaming activities in the State. The DTF is applied to projects in the environment, education, social and health, and infrastructure sectors of the economy. Projects executed with the fund are called "good causes projects" while taxes paid from lottery sales are known as good causes money.



## Lagos State: A Place to Invest

Lagos State was created on May 27, 1967 by virtue of States [Creation and Transitional Provision] Decree No. 14 of 1967. Prior to this time, Lagos municipality was administered as a Federal Territory by the Federal Government through a regional authority, the Federal Ministry of Lagos Affairs. The State took off as an administrative entity on April 11, 1968 with Lagos Island serving the dual role of being the State and Federal capital. However, with the creation of the Federal Capital Territory of Abuja in 1976, Lagos ceased to be the capital—political capital. Nevertheless, Lagos remains the nation's economic and commercial capital.

The State is located in the south-western part of Nigeria; lying approximately on longitude 20 42'E and 32 2'E respectively, and between latitude 60 22'N and 60 2'N. Lagos State is bounded in the north and east by Ogun State in Nigeria, in the west by Republic of Benin and stretches over 180 kilometers along the Guinea Coast of the Bight of Benin on the Atlantic Ocean. Its territorial extent and political jurisdiction encompasses the city of Lagos and

*Lagos is Nigeria's most prosperous city, and a great part of the nation's wealth and economic activities are concentrated here.*

the four administrative divisions of Ikeja, Ikorodu, Epe and Badagry—collectively referred to as IBILE. It covers an area of 358,862 hectares or 3,577sq.km, which represents 0.4% of Nigeria's territorial land mass of 923,773sq. km. Generally the State has two climatic seasons: dry (November – March) and rainy (April – October).

### Demography

Lagos State is the smallest state in Nigeria yet, it has the highest urban population: 27.4% of the national estimate (UN-Habitat). Based on the UN-Habitat and international development agencies' estimates, Lagos State was said to have about 18.5 million inhabitants in 2008 with a growth rate 10 times faster than that of New York and Los Angeles, and it has more than the population of 32 African nations combined. The State's population is expected to hit the 35 million mark in 2020.

### People

Lagos State is essentially a Yoruba environment. However, the State is a global socio-cultural melting pot attracting Nigerians, Africans and foreigners alike. The situation is attributable to its sound economic base, strategic maritime location and socio-political importance which induces a high rate of migration to the State.



## Lagos State Economy

Lagos State is the economic, financial, industrial and commercial nerve centre of Nigeria, and the ECOWAS region, with over 2,000 manufacturing industries and over 200 financial institutions (banks, insurance companies etc., including the nation's premier stock exchange, the Nigeria Stock Exchange). It contributes 35.6% of Nigeria's Gross Domestic Product (GDP) and accounts for 62.3% of the national non-oil GDP. Regionally, Lagos' Gross National Product (GNP) is three times that of any West African Country—internationally, its GDP was found to be higher than that of 42 individual African countries—making the State ECOWAS' economic hub and the springboard for innovation and development in Nigeria and sub-Saharan Africa.

The State harbours 60% of the Federation's total industrial investments and foreign trade, attracts 65% of Nigeria's commercial activities and accounts for more than 40% of all labour emoluments paid in the country. As a matter of fact, the headquarters of multinational conglomerates like UAC, Unilever, John Holts, Churchgate, Chevron, Shell and the nation's giant public enterprises are all located in Lagos State.

In addition, Lagos has one of the largest and most extensive road networks in West Africa. It is linked by many highways and bridges and is home to Nigeria's chief ports: Apapa and Tin Can Island (responsible for 70% of total national cargo freight). Indeed, it is the core of West/Central African maritime and aviation activities as Nigeria's busiest international and regional aviation hub, the Murtala Mohammed International Airport, Ikeja, is also located within the State.



## Lagos in Africa Economy

- Its GNP is 3 times that of any West African Country (World Bank, 2001).
- It is the location of Nigeria's chief maritime ports and the busiest international airport in West/Central African Aviation industry.
- Its large and extensive road network makes it Nigeria's access to trans-African Highways.
- It is a media hub, an international telecommunication gangway and home to Sub-Saharan Africa's largest ICT market.
- The West African Gas Pipeline Project centre is located in Lagos.
- It is a major emerging tourist destination in Africa.

## Lagos as a Financial Hub

Lagos State is the hub of Nigeria and West Africa's regional financial system, which is dominated by mega banks, insurance firms, micro-finance/community banks, discount houses and the capital market. Indeed, the Nigerian government's vision 20:20 and the National Financial Sector Strategy [FSS] has envisioned Lagos as the nation's financial hub with its automated headquarters of the Nigeria Stock Exchange, the largest and most active exchange in sub-Sahara Africa.

The Lagos position as regional financial hub is

acknowledged globally despite the relocation of the Central Bank of Nigeria (CBN) Headquarters to Abuja. As a further demonstration of this, Lagos State as the gateway to Nigeria and ECOWAS economy, houses the headquarters/regional offices of national financial and professional regulatory authorities.

The Lagos State Lotteries Law is in line with the Lagos State 10-point development agenda: providing for education, environment and physical planning, and health care, among others.

## The Lagos Megacity

Lagos, Nigeria's lagoon city and world's sixth megacity is a burgeoning global urban agglomeration, which attained megacity status in 1995 when its population soared to over 10 million people (UN-Habitat). With such a fast-growing population, emerging markets investors can no longer afford to ignore the State. Lagos has become a land of opportunities with virtually equal opportunities open to everybody to explore. It is no wonder it is sometimes called a 'no man's land'. Investment opportunities abound for local and foreign investors especially in the freshly structured lottery industry. We urge you all to take advantage of these opportunities.



## Our Scope of Operation

The Lagos State Lotteries Board (LSLB) regulates the following aspects of the gaming industry:

### Public Online Lotteries

Public Online Lottery is an aspect of gaming, which involves random selection of numbers within a given range for a prize. In Lagos State, lottery is restricted to online distribution channels such as the internet, POS terminals or mobile technology for accountability, transparency and revenue assurance purposes. To conduct Public Online Lottery in Lagos State, a licence must be obtained from LSLB.

In the Public online lotteries license category, there is 'Lagos State Lottery License'. The Lagos State lottery licence is an exclusive licence granted by the Governor of Lagos State. The licensee is allowed to use the "Lagos State" brand.

### Online Sports Betting

Online Sports Betting is an aspect of gaming which involves predictions and betting on the outcome of sport activities and other events. In Lagos State, Online Sports Betting is restricted to online distribution channels such as the internet, POS terminals or mobile technology for accountability, transparency and revenue assurance purposes. Licensees

can operate using betting shops and/or web based platform. To conduct Online Sports Betting in Lagos State, a licence must be obtained from LSLB.

### Other Lotteries

Other lotteries include promotional competitions, private lotteries, charitable lotteries and society competitions. An activity or event shall qualify as 'other lotteries' and be subject to the provisions of the Lagos State Lotteries Law 2004 (as amended) if:

1. It is a game, scheme, arrangement, system, plan or device for distributing prizes by lot or chance;
2. Subscription is required for a right to participate in the activity or event. Subscription here means the payment or delivery of any money, goods, articles, matter or thing including any ticket, coupon or entry form for the right to compete in the competition. It also includes the performing of an act by participants for a chance to win a prize;
3. The Commissioner of Finance for Lagos State by a notice in the gazette declares it to be a lottery.

*As a regulator, we recognise the need for effective strategies in relation to responsible gaming and we work towards setting and enforcing the highest ethical standards.*

### **Promotional competitions**

A person or organisation who intends to organise a promotional competition, shall apply for a licence. Application for licence shall be made prior to the commencement of any promotional competition in Lagos State.

### **Scratch Cards & Interactive Games**

Scratch Cards are instant win or scratch & win games which involve matching symbols, pictures or words or adaptation of popular (card) games for a chance to win a cash prize/gift. Interactive Games are electronic games that involve interaction with a user interface to generate visual feedback on a device.

Licences for Scratch Cards & Interactive Games are granted and renewable per annum. Persons seeking to operate a Scratch Card or Interactive Game business must obtain the approval of, and licence from the Lagos State Lotteries Board.

### **Emerging Online Games (Web-based, SMS-based)**

This is any lottery or game of chance designed to be played on your computer or mobile phone for a chance to win cash prizes or gifts. With just a few clicks, players are able to place bets at any time without going to a retail outlet.



## Our Stakeholders

LSLB prides itself on the adoption of a stakeholder inclusive approach in its regulatory functions. Our primary stakeholders are:

- Lagos State licencees and gaming operators
- Stakers/Players/Punterss
- Lottery and sports betting agents
- Corporate organisations and persons involved in promotional competitions
- Related service providers (such as technical partners and payment solutions providers, hardware and software providers.
- Lagos State Government
- Employees of LSLB
- Citizens and residents of Lagos State



# Our Responsibilities

## We Regulate

Our primary function is the regulation of lotteries and games of chance to ensure they are conducted with all due propriety and strictly in accordance with the provision of the Constitution, Lagos State Lotteries Law (as amended), and all applicable Lagos State Laws and regulations. Furthermore, we ensure that the interest of every participant in the gaming industry is adequately protected. Our regulatory activities include:

### **Licencing**

- Public Online Lotteries
- Online Sports Betting
- Other Lotteries (including Promotional Competitions)
- Scratch Cards & Interactive Games
- Emerging online games (web-based, SMS-based)

### **Monitoring & Inspection**

- Surveillance
- Investigations
- Compliance audits
- Enforcement of the applicable laws

### **Setting Standards**

- Policies, procedures and guidelines
- Set rules and regulations
- Set technical standards
- Sanctions and penalties

### **Sanctions & Penalties**

- Financial Penalties
- Suspension of Licence
- Revocation of Licence
- Termination of Licence
- Criminal Litigation





## **Promote**

### **We Promote**

LSLB adopts a stakeholder inclusive approach in its regulatory functions. We ensure and guarantee conducive operating environment for licencees, integrity of games for stakers and revenue assurance for the State government.



## **Protect**



*We operate in a manner that meets environmental, ethical, commercial, legal and social expectations.*



## **Regulate**

### **We Protect**

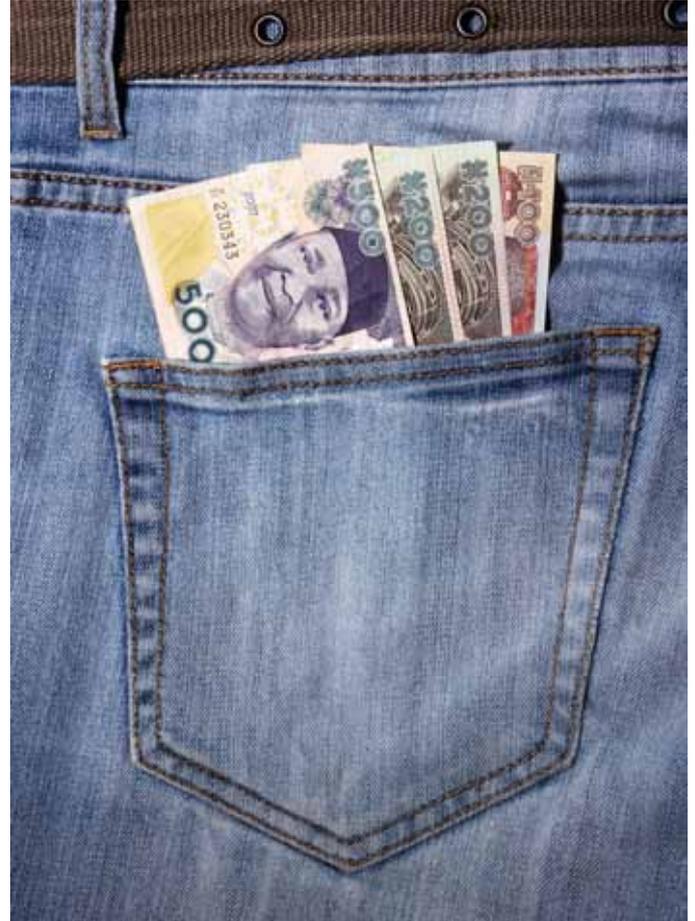
LSLB holds its licensees to high operational and management standards in the interest of stakers, the gaming industry and Lagosians. Our open door policy ensures that investors, operators, aggrieved stakers and the general public have access to accurate information, timely grievance resolution and excellent services.

## We Generate

LSLB is a revenue generating agency of the Lagos State government. The revenue generated from lottery operations in the State is applied to good causes projects. We are legally obliged to ensure maximum utilisation of revenue generated for projects that will positively impact and improve the living standards of Lagosians; hence the creation of the Lagos State Lottery Distribution Trust Fund (DTF) by the Lotteries Law. The DTF comprises of all revenue generated by the Board from various aspects of lotteries, including licence fees, state royalty fees, good causes' contributions and draw levies. The Board holds the fund in trust for 'good cause' objectives. The 'good cause' objectives specified by the Law are:

- Infrastructural objectives
- Educational objectives
- Environmental objectives
- Social and health related objectives

Revenue in the DTF is applied to these objectives either through good causes projects or grants.





# LSLB

integrity, security, fairness and entertainment  
in gaming.

## Application For Licence

The application procedure depends on the aspect of gaming the applicant is interested in. However, there are generic requirements for due diligence. These include:

1. Application letter specifying the aspect of lottery
2. Details of business incorporation
3. Information about corporate structure, ownership and management of the applicant
4. Detailed business plan/ proposal
5. Financial structure, investment and projections

For more information on any of the aspect of gaming regulated by the Board, please email as follows:

Public Online Lottery:	<a href="mailto:pol@lagosstatelotteryboard.com">pol@lagosstatelotteryboard.com</a>
Online Sports Betting:	<a href="mailto:osb@lagosstatelotteryboard.com">osb@lagosstatelotteryboard.com</a>
Promotional Competitions:	<a href="mailto:promo@lagosstatelotteryboard.com">promo@lagosstatelotteryboard.com</a>
Scratch Cards:	<a href="mailto:promo@lagosstatelotteryboard.com">promo@lagosstatelotteryboard.com</a>
Interactive Games:	<a href="mailto:promo@lagosstatelotteryboard.com">promo@lagosstatelotteryboard.com</a>

*At LSLB, we are committed to the advancement of the lottery industry. Our principal objectives are to create a level playing field for all participants and protect the interest of all stakeholders while encouraging responsible gaming.*



**Lagos State Lotteries Board**

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