

Regulations on the Administration of Lottery of the PRC

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Chapter I — General Provisions

Article 1 — These Regulations are formulated for the purpose of strengthening the administration of lotteries, standardizing the development of the lottery market, protecting the lawful rights and interests of lottery participants, and promoting the development of public welfare undertakings.

Article 2 — The term "lottery" as used in these Regulations refers to a voucher which is issued and sold by a lottery issuing institution in accordance with these Regulations for the purpose of raising funds for public welfare undertakings, on which a specific number, figure, or symbol is voluntarily purchased and obtained by a purchaser, and under which the purchaser is entitled to participate in a drawing to obtain a prize in accordance with the relevant rules. The issuance, sale, drawing, prize payment, and administration of lottery

funds of lotteries within the territory of the People's Republic of China shall be governed by these Regulations.

Article 3 — Lotteries include welfare lotteries and sports lotteries. Proceeds from welfare lotteries shall be used for social welfare undertakings, and proceeds from sports lotteries shall be used for sports undertakings and other public welfare undertakings.

Article 4 — The financial department of the State Council shall be in charge of the supervision and administration of lotteries throughout the country. The financial departments of the local people's governments at or above the county level shall be in charge of the supervision and administration of lotteries within their respective administrative areas. The civil affairs department of the State Council and the sports administration department of the State Council shall, within the scope of their respective functions and duties, be responsible for the administration of welfare lotteries and sports lotteries respectively.

Article 5 — The issuance of lotteries shall be subject to the approval of the State Council. Without the approval of the State Council, no unit or individual may issue lotteries.

Article 6 — Lottery funds shall be administered in accordance with the provisions of the State Council, and shall be used exclusively for public welfare undertakings in accordance with law and shall not be diverted to other uses.

Chapter II — Lottery Administration

Article 7 — The welfare lottery issuing institution and the sports lottery issuing institution shall be responsible for the issuance of welfare lotteries and sports lotteries respectively. The issuing institutions shall be lawfully established and shall possess the corresponding qualifications and conditions.

Article 8 — Lottery issuing institutions shall formulate rules for the issuance and sale of each type of lottery, which shall include the name, face value, rules of play, drawing and prize payment methods, and the like, and shall submit the same to the financial department of the State Council for approval.

Article 9 — Lottery sales institutions shall be established in accordance with the relevant provisions of the State, and shall engage in lottery sales business within the scope of their respective functions and duties.

Article 10 — Lottery sales institutions may, in accordance with the relevant provisions, entrust units or individuals with the sale of lotteries. Entrusted units and individuals shall meet the conditions prescribed by the State and shall obtain the corresponding qualifications.

Article 11 — Lottery issuing institutions and lottery sales institutions shall establish and improve rules and systems for the administration of lotteries, and shall ensure the safe and orderly conduct of lottery issuance and sales.

Article 12 — The financial departments of the people's governments at or above the county level shall exercise supervision and administration over lottery issuance and sales, and shall investigate and handle unlawful acts in accordance with law.

Chapter III — Lottery Issuance and Sale

Article 13 — The issuance and sale of lotteries shall be conducted in accordance with the approved rules and within the approved scope, and shall not be carried out beyond the approved scope or in excess of the approved quotas.

Article 14 — Lottery issuing institutions and lottery sales institutions shall sell lotteries through lawful channels, and shall not sell lotteries through the Internet or other channels in violation of the provisions of the State.

Article 15 — Lottery sales institutions and lottery sales personnel shall sell lotteries to purchasers in accordance with the rules of play, and shall not sell lotteries to minors.

Article 16 — Lottery sales personnel shall sell lotteries in accordance with the prescribed standards and shall not alter the prices or rules of play without authorization.

Article 17 — Lottery issuing institutions and lottery sales institutions shall not carry out misleading publicity, and shall not induce, coerce, or deceive purchasers into purchasing lotteries.

Article 18 — Lottery sales personnel shall use unified and standardized sales equipment and vouchers, and shall keep complete records of lottery sales.

Article 19 — Lottery issuing institutions and lottery sales institutions shall establish and improve lottery sales information systems, and shall ensure the accuracy and security of sales data.

Chapter IV — Lottery Drawing and Prize Payment

Article 20 — Lottery drawings shall be conducted in accordance with the approved rules of play, and shall be open, fair, and impartial. The drawing process and results shall be subject to supervision.

Article 21 — Lottery issuing institutions shall invite notary institutions to notarize the drawing process and results, and shall promptly make the drawing results public.

Article 22 — Lottery prizes shall be paid in accordance with the approved rules of play and the drawing results. Lottery issuing institutions and lottery sales institutions shall promptly and accurately pay prizes to winning purchasers.

Article 23 — Prize payment shall be made against the winning lottery ticket, and the ticket shall be the sole basis for prize payment.

Article 24 — Lottery issuing institutions and lottery sales institutions shall keep lottery tickets that have been redeemed for prizes, and shall dispose of them in accordance with the relevant provisions.

Article 25 — Where a winning lottery ticket is damaged, defaced, or cannot be identified, prize payment may be refused in accordance with the provisions of the State.

Chapter V — Administration of Lottery Funds

Article 26 — Lottery funds shall include lottery public welfare funds and lottery operating funds. Lottery funds shall be managed under separate accounts and accounted for separately.

Article 27 — Lottery public welfare funds shall be turned over to the State treasury in accordance with the provisions of the State, and shall be included in the budget for administration.

Article 28 — Lottery public welfare funds shall be used for public welfare undertakings in accordance with the provisions of the State Council, and shall be subject to public disclosure.

Article 29 — Lottery operating funds shall be used for the expenses of lottery issuance and sales, and shall be administered in accordance with the provisions of the State.

Article 30 — Lottery issuing institutions and lottery sales institutions shall establish and improve financial and accounting systems, and shall truthfully and completely account for lottery funds.

Article 31 — The financial departments shall exercise supervision and administration over the collection, use, and management of lottery funds, and shall conduct inspections in accordance with law.

Chapter VI — Legal Liability

Article 32 — Where a unit or individual issues lotteries without the approval of the State Council, the financial department shall order it to stop the issuance and shall confiscate the unlawful gains and the unlawfully issued lotteries, and may impose a fine; where a crime is constituted, criminal liability shall be investigated in accordance with law.

Article 33 — Where a lottery issuing institution or lottery sales institution engages in lottery issuance or sales in violation of the provisions of these Regulations, the financial department shall order it to make corrections and may impose a fine; where the circumstances are serious, the relevant approval or qualification shall be revoked.

Article 34 — Where a lottery sales institution or lottery sales personnel sell lotteries to minors, the financial department shall order corrections and impose a fine in accordance with law.

Article 35 — Where lottery issuing institutions or lottery sales institutions embezzle, divert, or misappropriate lottery funds, the financial department shall order corrections and shall recover the funds; where a crime is constituted, criminal liability shall be investigated in accordance with law.

Article 36 — Where a staff member of a financial department or another relevant department neglects his or her duties, abuses power, or engages in malpractices for personal gain in the supervision and administration of lotteries, sanctions shall be imposed in accordance with law; where a crime is constituted, criminal liability shall be investigated in accordance with law.

Chapter VII — Supplementary Provisions

Article 37 — The administration of instant lotteries, video lotteries, and other types of lotteries shall be governed by the relevant provisions of the State.

Article 38 — These Regulations shall come into force as of July 1, 2009.

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