

HORSERACE BETTING AND OLYMPIC LOTTERY ACT 2004

EXPLANATORY NOTES

COMMENTARY ON SECTIONS

Part 3: National Lottery: Olympic Lotteries

Section 21: Licensing of Olympic Lotteries

64. A key component of the National Lottery etc. Act 1993 is the issue of licences for the operation of the Lottery. These are issued and enforced by the regulator of the National Lottery, the National Lottery Commission. There are two kinds of licence: a licence under section 5 of the 1993 Act, which is granted to a company to run the National Lottery; and one or more licences under section 6 of that Act, granted to companies to promote lotteries as part of the National Lottery. The section 5 licence holder is currently Camelot, under a licence that ends in January 2009. It is the responsibility of this licence holder to provide the technical, retailing and marketing infrastructure within which the section 6 licence holders can operate, and for ensuring that payments to prize-winners, the National Lottery Distribution Fund (NLDF), and the Exchequer are made. At present, Camelot holds all the section 6 licences.
65. This section deals with the licensing of Olympic Lottery games. Subsection (1) provides that a licence to promote lotteries granted by the National Lottery Commission under section 6 of the 1993 Act may designate a lottery as an Olympic Lottery. Subsection (2) also provides that the section 5 operating licence must include a provision for determining the proportion of proceeds of Lottery games that are attributable to Olympic lotteries. Under subsection (3), a lottery may only be designated as an Olympic Lottery if the section 5 licence required by subsection (2) has effect. Subsection (4) in turn provides that the National Lottery Commission shall make a variation of an existing section 5 licence to accommodate the requirements of subsection (2) of this section after consulting the section 5 licence holder. The timing of such a variation shall be determined by the Commission (irrespective of whether the licence holder agrees to the variation of the licence).