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**REPUBLIC OF LITHUANIA
LAW ON LOTTERIES**

1 July 2003 No. IX-1661
Vilnius

**CHAPTER I
GENERAL PROVISIONS**

Article 1. Purpose of the law

1. This law establishes the conditions and procedure for the operation of lotteries in the Republic of Lithuania. The purpose of this Law is:

- 1) to ensure fair and transparent operation of lotteries and fulfilment of obligations of lottery operators to lottery players;
- 2) to ensure the protection of the rights of lottery players and lottery operators.

2. This Law does not apply to such events during which a person who has purchased a certain good or service may win an additional prize.

Article 2. Basic concepts of this Law

1. **Company** means a legal person established in the Republic of Lithuania, as well as a branch of a legal person of any legal form established in another Member State in accordance with the legislation of that State and authorized in that Member State to carry out lottery activities, having a registered office in the Republic of Lithuania and carrying out all or a part of the functions of the legal person, or a branch of an organisation without legal personality which has been authorized in that Member State to carry out lottery activities, having its registered office in the Republic of Lithuania.

2. **Participant** means a natural or legal person who owns 25 percent and one of the company's shares (rights, stocks), which give the right to vote at the meeting of the company's participants.

3. **National lottery** means a lottery whose tickets are distributed across the whole territory of the Republic of Lithuania and the face value of all tickets to be distributed is not limited.

4. **Lottery** means a game where a player purchases tickets for monetary and/or prizes in goods and/or gratuitous services that are randomly distributed according to the ticket data.

5. **Lottery ticket** means a document specified in the lottery rules, providing evidence of participation in the lottery, or an identifiable record in the database of the lottery's computer system.

6. **Lottery machine** means an electronic, electromechanical, mechanical device or software for the random selection of lucky lottery numbers and/or tokens.

7. **Lottery prizes** (hereinafter – prizes) mean an amount of money randomly selected according to the data of lottery tickets and paid to the winner under the conditions and in accordance with the procedure established in the lottery rules, a service is provided free of charge or an item granted.

8. **Lottery prize fund** (hereinafter – prize fund) means an amount of prizes allocated to lottery players, which corresponds to the ratio, in per cent, of the face value of lottery tickets to the total value of lottery prizes, approved by the lottery rules.

9. **Lottery service** means a service which enables a lottery player to participate in a lottery and win monetary prizes and/or prizes in goods and/or gratuitous services.

10. **Drawing of a lottery** means part of the lottery when winning tickets are randomly drawn.

11. **Lottery player** (hereinafter – a player) means a natural person who has obtained a lottery ticket and participates in the lottery in accordance with the procedure established by its rules.

12. **Lottery operator** means a company holding a lottery activity license issued by the Control Authority, which grants the right to conduct lottery activities.

13. **Lottery activities** mean the activities carried out in one's own name and at one's own risk intended for obtaining income from the provision of lottery services.

14. **Local lottery** means a lottery whose tickets are distributed at sports competitions, cultural or other public events, the face value of the tickets to be distributed does not exceed EUR 30,000, and monetary prizes, prizes in goods are awarded or a gratuitous service is provided immediately or no later than the by the end of the event.

15. **Instant lottery** means a lottery in which information about prizes and their amount is indicated on lottery tickets before offering them for sale, and the player learns about the prizes as soon as he buys a lottery ticket and checks it in accordance with the lottery rules.

16. **Face value of a lottery ticket** means the established selling price of a lottery ticket.

17. **Sports lottery** means a lottery, which prize and its size is determined by the number of numerals and/or other symbols correctly selected on the lottery ticket, which depend on the outcome of the sports competition and indicating its result.

18. **Draw lottery** means a lottery by participating in which numbers and/or other symbols are selected on a lottery ticket or a lottery ticket with pre-printed numbers and/or other symbols is selected and the prize and its size are predetermined by the lottery ticket price and the number of pre-printed and drawn numbers and/or other symbols.

19. **Member State** means a Member State of the European Union as well as a State of the European Economic Area. The Swiss Confederation is also considered a Member State for the purposes of this Law.

20. The term “controller of the company” used in this law shall have the same meaning as the term “Beneficiary” defined in the Law on the Prevention of Money Laundering and Terrorist Financing of the Republic of Lithuania.

21. Other terms used of this Law shall be understood as defined in the Law on Companies of the Republic of Lithuania, the Law on Advertising of the Republic of Lithuania, the Law on Conformity Assessment of the Republic of Lithuania, the Law on Accounting of the Republic of Lithuania, the Law on Electronic Communications of the Republic of Lithuania, the Law on Financial Institutions of the Republic of Lithuania, the Law on Payments of the Republic of Lithuania and the Law on Audit of Financial Statements of the Republic of Lithuania.

Article 3. Types of lotteries

Types of lotteries:

- 1) draw lottery;
- 2) instant lottery;
- 3) sports lottery.

Article 4. Lottery ticket price

When operating a lottery, the lottery operator may distribute lottery tickets of different prices.

Article 5. Ways of distributing lottery tickets

Lottery tickets can be distributed:

- 1) through direct communication computer network terminals linked by way of telecommunication to a central host computer, which ensures centralized which ensures a centralised recording of lottery ticket sales and monetary prize pay-outs or giving away prizes in

goods or granting the right to use a gratuitous service (hereinafter together – the pay-outs of prizes);

2) by telephone – when the information required for participation in the lottery is transmitted to the database of the lottery's computer system by telephone and an entry confirming the player's participation in the lottery is recorded in the database of the lottery's computer system;

3) via the Internet connection – when the information required for participation in the lottery is transmitted to the database of the lottery's computer system via the Internet connection and a record confirming the player's participation in the lottery is made in the database of the lottery's computer system;

4) offline – when lottery tickets are sold without using the distribution methods specified in paragraphs 1, 2 and 3 of this Article.

Article 6. Ways to pay for participation in the lottery

The player shall pay for the participation in the lottery in cash, through the telephone service provider or using the payment services provided by the payment service provider.

CHAPTER II

CONDITIONS AND PROCEDURES FOR THE ORGANISATION OF LOTTERY ACTIVITIES

Article 7. Types of licenses for lottery activities

Types of licenses for lottery activities:

- 1) a license for the operation of national lotteries;
- 2) a license for the operation of local lotteries.

Article 8. Authority issuing operating licenses for lotteries

Operating licenses for national and local lotteries are issued by the control authority – the Gaming Control Authority under the Ministry of Finance of the Republic of Lithuania (hereinafter – the Control Authority).

Article 9. The right to operate lotteries

The following persons shall have the right to operate lotteries:

- 1) national lotteries – companies that comply with the requirements established in Articles 10, 12 and paragraphs 1 and 5 of Article 25 of this Law and have been issued a license to operate national lotteries;

2) local lotteries – companies that comply with the requirements established in Article 12 and paragraphs 2 or 3 of Article 25 of this Law and have been issued a license to operate local lotteries.

Article 10. Restrictions on the activities of the operator of national lotteries

1. The operator of national lotteries shall not be entitled to engage in any other economic or commercial activity, except for activities related to the distribution of lottery tickets (concluding contracts with natural and legal persons, other organisations without legal personality or their branches for the distribution of lottery tickets).

2. The operator of national lotteries is prohibited from participating in other legal entities.

Article 11. Issuance of a license

1. A company wishing to be issued a license to operate a national or local lottery (hereinafter – a license) shall file to the Control Authority an application for a license in the form prescribed by the Control Authority, specifying the particular type of license applied for.

2. License applications shall be accompanied by:

1) documents providing evidence of the formation, payment and disposal of equity capital and the origin of the funds from which the equity capital has been formed. A company wishing to operate a local lottery and having no equity by law shall provide a financial guarantee from the credit institution;

2) a list of the controllers of the participant of the company (if the participant of the company is a legal person), indicating the names and codes of the legal persons and the names, surnames and personal identification codes of the natural persons;

3) a list of data on the chief accountant (accountant) and other persons who may manage the company's accounting in accordance with the Law on Accounting, as well as the deputy head of the company, indicating the names, personal identification numbers, legal entity name, code and registered office address (if the company's accounts are kept by a legal entity);

4) copies of the identity documents of the natural persons and participants of the company referred to in paragraphs 2 and 3 of this Part, members of all control and management bodies of the company and the head of the company. If the application for a license is filed by a public limited liability company, only copies of the identity documents of the shareholders who are in control of the company shall be submitted to the Control Authority;

5) draft lottery rules compliant with the requirements established in paragraphs 3 and 4 of Article 30 of this Law;

6) documents and particulars established by the Control Authority, which attest to the compliance with the control procedures applied during the printing of lottery tickets with the requirements established in paragraph 6 of Article 23 of this Law.

3. Upon receipt of the documents referred to in paragraph 2 of this Article, the Control Authority shall, no later than within 3 working days, apply to the manager of the Register of Legal Entities with a request for the company's incorporation documents, a list of the company's participants, all members of the company's control and management bodies, controllers (if a participant is a legal entity).

4. the Control Authority shall, upon receipt of the documents and particulars referred to in paragraphs 2 and 3 of this Article, carry out their assessment no later than within 7 working days from the date of receipt of the license application and, having ascertained that all the duly completed mandatory documents and particulars have been provided, shall send an acknowledgment of receipt of these documents and particulars to the company applying for the licence and indicate the deadline for the issue of the license referred to in paragraph 7 of this Article. If the application for the license or the accompanying documents contain incorrect data or not all the required documents and particulars have been provided, the company shall be notified of the identified deficiencies no later than within 7 working days from the date of receipt of the license application and shall be given a period to rectify them of the maximum of 10 working days and it shall be indicated that the term for issuing the license referred to in paragraph 7 of this Article shall be calculated from the date of receipt of all the duly executed documents by the Control Authority.

5. Within 3 working days of receipt of all the relevant documents and particulars referred to in paragraphs 1, 2 and 3 of this Article, the Control Authority shall be required to:

1) apply to the manager of the Register of Suspects, Accused and Convicts in order to verify whether the company wishing to obtain a license complies with the criteria of impeccable reputation established in paragraphs 1 and 2 of Article 16 of this Law;

2) apply to the State Security Department of the Republic of Lithuania requesting for conclusions as to whether the company complies with the criteria of impeccable reputation established in paragraph 4 of Article 16 of this Law and its activities do not endanger state security;

3) apply to the Financial Crime Investigation Service to the Ministry of the Interior of the Republic of Lithuania (hereinafter – the Financial Crime Investigation Service) regarding the submission of available negative information about the persons specified in points 3 and 4 of paragraph 2 of this Article.

6. The authorities referred to in paragraph 5 of this Article shall be required, within their respective spheres of competence, to submit their findings and information to the Control

Authority no later than within 20 working days from the date of the request and the submission of the necessary documents and particulars to the authorities.

7. When issuing a license, the supervisory authority shall also coordinate the draft lottery rules submitted by the company, which comply with the requirements established in paragraphs 3 and 4 of Article 30 of this Law. The license shall be issued or a written reasoned refusal to issue a license shall be provided within 30 days from the date of receipt by the supervisor authority of the documents referred to in paragraphs 1, 2 and 3 of this Article and the conclusions and information of the authorities referred to in paragraph 5 of this Article. If incomplete, incorrectly completed documents or incorrect particulars are submitted, the 30-day period shall be calculated from the date of receipt of all or supplemented (revised) documents. Failure to issue a license or failure to provide a reasoned refusal to issue a license within 30 days shall not be considered as the issuance of the license.

8. On the day of taking the decision to issue a license, the Control Authority shall enter the license data in the License Information System, publish the issued license on the website of the Control Authority and submit the decision on issuance or refusal to issue the license to the company for which it was taken.

9. The Control Authority shall, no later than within 5 working days from the date of issue of the license, notify the Financial Crime Investigation Service and the territorial state tax inspectorate in whose territorial area of activity the licensed company is registered, the details, type and number of the license.

10. A license shall be issued for an indefinite period.

Article 12. Restrictions on the companies applying for a license and companies holding a license

The following restrictions apply to the company intending to obtain a license (at the time of submitting the documents for obtaining a license) and to the licensed company:

- 1) the company may not secure the fulfilment of any obligations of other persons (natural or legal) and issue loans to other persons (natural or legal);
- 2) the company must have an impeccable reputation.

Article 13. Revision of the license

1. The lottery operator must apply to the Control Authority for a revision of the license:

- 1) in the event of a change in the formal particulars specified in the license (name, code, registered office address of the lottery operator). The lottery operator must notify about the changed particulars and file a request to revise the license within 5 working days from the date of

the change of particulars. In the event of a change in the formal particulars specified in the license, the Control Authority shall revise the license within 5 working days of receipt of the application;

2) when intending to harmonize the rules of a new lottery or amendments to the harmonized lottery rules. Together with the application for revision of the license, the lottery operator shall submit to the Control Authority draft of new lottery rules or harmonized amendments to the lottery rules as well as the documents and particulars referred to in point 6 of paragraph 2 of Article 11 and paragraph 2 of Article 30 of this Law, unless these documents and particulars had already been submitted to the Control Authority and have not changed. After harmonizing the lottery rules or amendments thereto, the Control Authority shall make a decision to revise the license or, if the lottery operator does not provide all documents and particulars referred to point 6 of paragraph 2 of Article 11 and paragraph 2 of Article 30 of this Law, as well as if the draft of new lottery rules or harmonized amendments to the lottery rules does not comply with the requirements specified in paragraphs 3 and 4 of Article 30 of the Law or there are other grounds specified in Article 14 of this Law, it shall take a reasoned decision to refuse to revise the license within 20 days from the date of receipt of the application and all duly executed documents and particulars;

3) when intending to harmonize the end of the lottery operated. The lottery operator shall file a request to the Control Authority to revise the license. When harmonizing the end of the lottery, the Control Authority shall take a decision to revise the license within 20 days from the date of receipt of the application by the Control Authority.

2. On the day of the decision on the revision of the license, the Control Authority shall enter the data of the revised license in the License Information System, publish the revised license on the website of the Control Authority and submit the decision on the revision of the license to operate games to the company in respect of which it was taken.

3. The Control Authority shall give note of that to the Financial Crime Investigation Service and the territorial state tax inspectorate in the territorial area of which the licensed company is registered no later than within 5 working days from the date of revision of the license and indicate the changed particular.

Article 14. Refusal to issue a license

The Control Authority shall refuse to issue a license if:

1) the company does not eliminate the deficiencies in the application for the issue of a license and the documents submitted with it within the term established by the Control Authority in accordance with paragraph 4 of Article 11 of this Law;

2) the company does not comply with the restrictions established in Articles 10 and 12 of this Law or the company does not comply with the criteria of impeccable reputation established in Article 16 of this Law;

3) the company does not have an equity guarantee or a financial guarantee from a credit institution in the amount specified in Article 25 of this Law;

4) the company has tax arrears to the state budget of the Republic of Lithuania, municipal budgets or funds the taxes collected in which are administered by the State Tax Inspectorate under the Ministry of Finance of the Republic of Lithuania (hereinafter – the State Tax Inspectorate), or is indebted to the budget of the State Social Insurance Fund (with the exception of the cases where the payment of taxes, interest and fines has been postponed in accordance with the procedure established by the legal acts of the Republic of Lithuania or a tax dispute is pending with respect to these taxes, interest and fines) or negative information and/or conclusion of the Financial Crime Investigation Service and/or the State Security Department has been received;

5) the issue of a new license was applied for less than 5 years after the company has lost this right in accordance with points 1, 4 and 5 of paragraph 8 of Article 15 of this Law;

6) the submitted draft lottery rules do not conform to the requirements established in paragraphs 3 and 4 of Article 30 of this Law.

Article 15. Notice of possible suspension and revocation of a license and revocation of a notice of possible suspension, suspension of a license and revocation of suspension, revocation of a license

1. The Control Authority that has established violations of the legal acts regulating licensed activities (hereinafter – violations) must notify the lottery operator of the possible suspension of the license within 3 working days, except in the cases provided for in point 2 of paragraph 4, where the license is suspended immediately.

2. The Control Authority which has taken the decision notifying the lottery operator of the possible suspension of the license shall notify the lottery operator of the decision taken on the day of the decision, specify the violations and, taking into account the nature and gravity of the violations, shall establish a period of a maximum of 2 months for elimination of violations during which the operator shall be required to eliminate the specified violations.

3. The lottery operator having eliminated the violations must notify of that the Control Authority, which shall verify this information no later than within 5 working days from the receipt of the notification of the violations eliminated and take a decision to withdraw the notification of possible suspension of the license if all the violations have been eliminated by the specified deadline and notify the lottery operator of the decision taken on the day of the decision.

4. The license shall be suspended if:

1) the lottery operator, who has been notified of the possible suspension of the license, does not eliminate the specified violations within the term established by the Control Authority in accordance with paragraph 2 of this Article;

2) the Control Authority collects on its own initiative or is provided with the data and information that the company no longer meets the criteria of impeccable reputation set out in Article 16 of this Law or no longer meets the requirements for the lottery operator set out in Articles 10, 12 and 29 of this Law, and/or does not have paid equity or financial guarantees of a credit institution of the amount specified in Article 25 of this Law.

5. The Control Authority which decides to suspend the license shall notify the lottery operator on the day of the decision, indicate the violations and, taking into account the nature and gravity of the violations, set a time period of no more than 2 months during which the lottery operator must eliminate the specified violations.

6. Upon suspension of the license, the lottery operator shall be prohibited from operating lotteries, providing lottery services, but it must pay out the prizes due to players who have played before the date of suspension of the license, unless they have been paid before the date of suspension of the license.

7. The lottery operator, having eliminated the violations for which the decision to suspend the license has been taken, must notify the Control Authority, which shall check the information on the elimination of the violations and make a decision no later than within 5 working days from the receipt of the lottery operator's notification to lift the suspension of the license provided all the violations have been eliminated and notify the lottery operator thereof on the date of the decision.

8. The license shall be revoked if:

1) the lottery operator whose license has been suspended fails to eliminate the specified violations within the term established by the Control Authority in accordance with paragraph 5 of this Article;

2) the company holding the license files an application for revocation of the license;

3) the company is wound up by liquidation or reorganisation;

4) it turns out that the license was obtained by submitting knowingly false information, forged or false documents;

5) bankruptcy proceedings are instituted against the company or bankruptcy proceedings are carried out of court;

6) the activities specified in the license are not commenced within one year from the date of issue of the license.

9. A company whose license has been revoked:

- 1) does not have the right to operate lotteries and provide lottery services;
- 2) must pay out the prizes due to the players who have played before the date of revocation of the license, if they have not been paid out before the date of revocation of the license;
- 3) shall not be eligible to file an application for the issue of a license for 5 years from the date of revocation of the license, except in cases where the license is revoked in the cases specified in points 2 and 6 of paragraph 8 of this Article.

10. The Control Authority shall not warn the licensee about the suspension of the license, suspend and/or revoke the license if the violations of the conditions of the licensed activity consist of minor non-conformities with legal requirements, the licensee has terminated the infringing actions and eliminated the consequences and compensated damages; compliance with the requirements of the licensed activity may be ensured in other ways.

11. the Control Authority that has taken any decision referred to in this Article shall, on the date of the decision, upload the data into the License Information System, publish them on the Control Authority's website and communicate the decision to the company for which it was taken.

12. A supervisory authority that has made a decision to suspend a license, a decision to revoke a license or withdraw a decision to revoke a license shall notify the Financial Crime Investigation Service and the territorial state tax inspectorate in whose territorial area of activity the company having been issued a license is registered no later than within 5 working days from the date of taking the decision, the details of that company, the type and number of the license and a copy of the decision taken.

Article 16. Impeccable reputation

The company is considered to be of impeccable reputation unless:

- 1) it has been ruled guilty of a serious or very serious offence established in the Criminal Code against property, property rights and property interests, economy and business order, financial system, public service and public interests, justice, public safety, order of government, or for committing the corresponding criminal offense under the criminal laws of other states and has a criminal record that has not expired or been revoked;
- 2) its participants, members of all control and management bodies of the company , the manager, his deputy, the chief accountant (accountant) and other persons who may manage the company's accounting in accordance with the Law on Accounting and/or the its controller have been found guilty by a final court judgment for the commission of an offense referred to in paragraph 1 of this Article and has a criminal record which has not expired or been revoked or its participant (legal entity) and/or legal entity controlling it has been convicted of an offense referred to in paragraph 1 of this Article criminal record;

3) its participant (legal person) and/or its controller legal person is a company whose license has been revoked in accordance with points 1, 4 and 5 of paragraph 8 of Article 15 of this Law and less than 5 years have passed since the revocation of the license;

4) its participants, members of all control and management bodies of the company, the manager, his deputy, the chief accountant (accountant) and other persons who may manage the company's accounting in accordance with the Law on Accounting, and/or its controller are members of an outlawed organisation.

Article 17. Ways of providing information and documents

The Control Authority and the company willing to obtain a license or in possession thereof, may provide and receive the information, documents and/or particulars related to the issuance, revision, refusal to issue a license, notice of possible suspension of a license, withdrawal of a notice of possible suspension of a license, suspension of a license, withdrawal of the suspension and revocation of the license and received, by post, courier or electronic means.

Article 18. Rights and obligations of the lottery operator

1. The lottery operator has the right to:

- 1) engage in lottery activities specified in the license;
- 2) request for an explanation from the Control Authority as to the suspension or revocation of the license;
- 3) appeal against the decisions of the Control Authority;
- 4) file a request to revoke the license;
- 5) announce the end of the lottery;
- 6) exercise other rights established in this Law.

2. The lottery operator shall be obliged to:

1) in carrying out the lottery activities specified in the license, comply with the requirements of this Law and other legal acts regulating the operation of lotteries;

2) in the event of a change in the company's participants, members of all control and management bodies of the company, the manager, deputy manager, the chief accountant (accountant) or other persons who may manage the company's accounting in accordance with the Law on Accounting, company's controllers, notify the Control Authority thereof no later than within 5 working days from the entry into force of the change of data and to submit data regarding the compliance of the company with the criteria of impeccable reputation, established in paragraphs 2 and 4 of Article 16 of this Law, in accordance with the procedure established by the Control Authority;

3) notify the Control Authority of the change in the formal particulars specified in the license no later than within 5 working days from the entry into force of the change in the particulars;

4) at the end of each quarter of the calendar year, no later than on the 25th day of the first month of the following quarter, notify the Control Authority regarding the allocation of funds for support;

5) in accordance with the procedure established by the Control Authority, to provide the information necessary for the performance of lottery supervision functions.

Article 19. Allocation of funds for support

1. The lottery operator must allocate 8 percent of the face value of lottery tickets distributed during a calendar year to support the beneficiaries specified in the Law on Charity and Support of the Republic of Lithuania. The support must be paid by the lottery operator to the beneficiaries at the end of each quarter of the calendar year, no later than by the 15th day of the first month of the following quarter.

2. Under this Law, only money may be the subject of support provided by a lottery operator.

3. The lottery operator and the beneficiaries must keep the accounts of the provided or received support and submit reports to the State Tax Inspectorate on the provided or received support in accordance with the procedure established by the Law on Charity and Support.

4. The lottery operator is required to publish the information on the support provided and the beneficiaries – on the support received on their websites. The information required to be published shall be detailed and the procedure for its publication shall be determined by the Control Authority.

5. Beneficiaries receiving support in accordance with this Law in excess of EUR 10,000 per year must audit the financial statements of the use of the received support and publish the audit report together with the auditor's statement on their websites.

Article 20. Distribution of lottery tickets

The lottery operator may distribute lottery tickets itself or under contracts with lottery ticket distributors – natural persons, legal entities, organisations without the rights of a legal entity, or their branches.

Article 21. Prize fund

The prize fund must account for not less than 50 percent of the face value of lottery tickets to be distributed. The prize fund is calculated throughout the entire lottery operation period.

Article 22. Procedure for pay-outs of prizes

1. A monetary prize is paid out or a prize in goods is awarded, the right to use the gratuitous service is granted to the player who presented the winning lottery ticket.

2. Monetary prizes of the national lottery are paid out (prizes in goods are awarded, the right to use the gratuitous service is granted) within the term specified in the lottery rules (this term may not be shorter than 5 days). If such a deadline is not specified in the lottery rules, the prizes shall be paid out no later than within 30 days from the day of determining the results of the draw lottery or the day of the competition for which the sports lottery was organised. Instant lottery prizes are paid out no later than within 30 days from the date of contact with the lottery operators, and after the end of the lottery – no later than within 30 days from the announcement of the end of the instant lottery.

3. Monetary prizes of the local lottery are paid out (prizes in goods are awarded, free service is provided) immediately or no later than until the end of the sports competition, culture or other public event during which the lottery tickets were distributed.

4. Monetary prizes exceeding EUR 150 shall be transferred to the payment account specified by the winner. Monetary prizes not exceeding EUR 150 must be paid in cash at the request of the winner. Monetary prizes not exceeding EUR 150 may be paid in cash on behalf of the lottery operator by lottery ticket distributors at ticket offices.

5. Prizes won from lottery tickets distributed via the Internet shall be transferred to the player's account or, at the player's request, to the payment account belonging to the player.

6. At the request of the winner, the lottery operator must issue him with a certificate in the form established by the State Tax Inspectorate regarding the monetary prizes paid to this person, the prizes in goods awarded and the gratuitous services provided.

Article 23. Requirements for lottery tickets

1. Printed lottery tickets must be numbered and each lottery ticket must have an individual number. The printed lottery ticket must contain the game's numbers and/or other symbols, the price of the lottery ticket, the name of the lottery, in accordance with public policy and good morals, the name, legal form, code, registered office, telephone number, register where the data of the lottery operator are collected and stored, the address where the prizes can be withdrawn, the place reserved for writing in the name of the winner, as well as the prize fund allocated to the lottery players, as a percentage of the face value of the lottery tickets to be distributed, is specified. No corrections are allowed on the printed lottery ticket.

2. The records in the database of the lottery's computer system must be numbered and each of them must bear a unique number. The recognizable record in the database of the lottery's computer system must contain the numbers and/or other symbols chosen by the player, the time of the record, the telephone number, and information on the size of the prize.

3. Display of any images of the types of gaming, gaming locations and/or gaming devices specified in the Law on Gaming of the Republic of Lithuania shall be prohibited on lottery tickets.

4. Lottery tickets, according to which monetary prizes have been paid out, prizes in goods have been awarded, gratuitous services have been provided, shall be kept by the lottery operator in accordance with the procedure established by the Control Authority. Upon revocation of the license, the unallocated lottery tickets must be collected from all distribution points and destroyed in accordance with the procedure established by the Control Authority within 60 days from the date of the decision to revoke the license.

5. The database of the lottery's computer system, in which the identifiable records are registered, must be duplicated. The lottery operator shall be responsible for data security.

6. The lottery operator may distribute lottery tickets printed using reliable ticket printing control procedures that allow to manage and monitor the lottery ticket printing process and ensure that lottery tickets are printed in accordance with the provisions of this Law. The lottery operator shall be responsible for the compliance of lottery tickets with the provisions of this Law.

Article 24. Requirements for lottery facilities

1. Each lottery device must ensure that lucky numbers and/or symbols are selected at random.

2. If the software is used in a lottery device, it must have a certificate of conformity issued by a certification body, which confirms that the software of the lottery device complies with the requirements established by this Law and the Control Authority.

3. The assessment of the compliance of lottery device software with the requirements established by this Law and the Control Authority shall be performed and certificates of conformity issued only by certification bodies operating in a Member State, which have notified the Control Authority of their accreditation certificate number and validity period. Certification bodies accredited outside the Member State and certificates of conformity for lottery software issued by them may be recognized in accordance with the procedure laid down by the Control Authority.

4. The software of a lottery device used in the operation of lotteries for which tickets are distributed online must be designed in such a way that the Control Authority would be able to remotely check the components of the lottery device software. The lottery operator must ensure

that the Control Authority would be able to remotely connect to the software of the lottery device referred to in this paragraph and check its components at any time.

5. Lottery devices using the software shall be listed by the Control Authority in accordance with the procedure established by the Control Authority.

6. If a lottery device is used in a lottery operated by a lottery operator, the software of which must have a certificate of conformity established in this Law, the lottery operator shall submit this certificate to the Control Authority together with the lottery rules.

Article 25. Capital or financial guarantees of lottery operators

1. The minimum capital of an operator of national lotteries must be EUR 144 000.

2. Except in the case referred to in paragraph 3 of this Article, the minimum equity capital of the operator of local lotteries must be EUR 14 000.

3. An operator of local lotteries who is not legally entitled to have equity capital must have a financial guarantee issued by a credit institution. The minimum amount of the guarantee must be EUR 14 000.

4. The requirements set out in paragraphs 1, 2 or 3 of this Article must be fulfilled by the lottery operator before the submission of the documents for obtaining a license.

5. The minimum amount of money that, in accordance with the procedure established by the Control Authority, the operator of national lotteries must keep in a credit institution's accounts, at its cash desk and only for the distribution of prizes shall not be less than 50 per cent of the amount of minimum required equity capital.

Article 26. Filming of a lottery draw

1. The process of determining the lucky numbers and/or symbols of an electronic, electromechanical or mechanical lottery device to be used during the lottery must be filmed continuously.

2. Video cameras must be installed in such a way that the numbers and/or other symbols determined during the lottery circulation, the lottery circulation number and date would be clearly visible, and the data of the time of making the recording must be stored in the recording. These videos must be kept by the lottery operator for at least 3 months from the prize collection deadline specified in the lottery rules, and longer when the player's complaint (application) is examined or the lottery operator's check is carried out – until the complaint (application) is examined and the lottery operator's check is complete.

3. The video quality requirements for the digital video recording system required for the supervision of lotteries shall be determined by the Control Authority.

Article 27. Rights and obligations of players

1. A player has the right to:
 - 1) before participating in the lottery, get acquainted with the license issued to the lottery operator and the rules of the lottery;
 - 2) upon presenting the lottery ticket, collect the prize in accordance with the procedure established in the lottery rules, if the prize has been won according to the lottery ticket;
 - 3) after purchasing a damaged or spoilt lottery ticket, request to replace it with another one;
 - 4) in accordance with the procedure established in the lottery rules, to file claims to the lottery operator regarding the operation of the lottery;
 - 5) upon winning the lottery, demand that his personal data would not be published;
 - 6) apply to the Control Authority or court regarding the actions or omissions of the lottery operator.
2. The player must:
 - 1) follow the lottery rules when participating in the lottery;
 - 2) in the cases prescribed by the legal acts regulating the operation of lotteries, provide the lottery operator with identity documents or other information that will be used in accordance with the requirement for pay-outs of prizes set out in paragraph 7 of Article 28 of this Law.

Article 28. Prohibitions and restrictions on the operation of lotteries

1. It is prohibited to operate lotteries that are not specified of this Law or are in violation of the procedure established therein.
2. Participation in the lottery operated by the lottery operator is prohibited for persons (by themselves or through another person or authorized by another person) who are participants of the lottery operator, members of all company control and management bodies , lottery operator's employees or persons who are entitled to manage the company's accounting according to the Law on Accounting, the persons controlling the company.
3. It is prohibited to pay out prizes with lottery tickets, securities and limited circulation items.
4. The value of the minimum prize may not be less than the price of the lottery ticket.
5. A license to operate a lottery may not be sold or otherwise transferred to other legal or natural persons.
6. It is prohibited to provide information about the winners without the consent of these persons.

7. It is prohibited in the Republic of Lithuania to pay out prizes to persons under 16 years of age. Compliance with these requirements must be ensured by lottery operators and lottery ticket distributors. The lottery operator and lottery ticket distributors must require the person applying for the prize to provide proof of the person's age in case of doubt that the person is under 16 years of age. If such a person does not provide proof of his age, the prize will not be paid to him. Warning signs prohibiting the payment of prizes to persons under 16 years of age must be posted (specified) at lottery ticket distribution points. This information must also be made available to those intending to purchase lottery tickets online and/or by telephone. The content and form of warning notes, the rules for their presentation at lottery ticket distribution points, websites and/or by telephone shall be approved by the control authority.

***RLE note.** The prohibition referred to in paragraph 7 of Article 28 shall not apply to persons under the age of 16 who would apply for the payment of prizes based on lottery tickets acquired in accordance with the law effective by the date of entry into force (01/05/2020) of the Law No. XIII-2598 after the date of entry into force of this Law.*

8. Advertising of lotteries in events, newspapers, magazines, books, radio and television programs and websites intended for children and adolescents is prohibited in the territory of the Republic of Lithuania.

9. When operating a lottery, it is forbidden to use self-service devices designed or specially adapted for self-service sales of records recognized in the lottery's computer system database, when a player pays for lottery tickets in cash or tokens (cash substitutes) through a self-service device, when the result is displayed by the self-service device and the prize is paid-out through the self-service device in cash or tokens (cash substitutes).

10. It is prohibited to operate the software of the lottery device without a certificate of conformity.

11. Use of the names of the types of gaming, gaming locations and/or gaming devices, specified in the Law on Gaming in the names of lotteries shall be prohibited.

Article 29. Specificity of lottery operation accounting

The lottery operator must keep the accounts in such a way that it shows the information on the number and value of tickets sold for each lottery and the value of the prizes paid out.

Article 30. Lottery rules

1. The lottery operator may start distributing tickets for each lottery only after the rules of that lottery, coordinated with the Control Authority, have been approved. the Control Authority shall harmonize the lottery rules or amendments thereto when issuing or revising the license after assessing the draft new lottery rules or amendments to the already harmonized lottery rules and

determining the compliance of the new lottery rules or amendments to the already harmonized lottery rules with the requirements set out in paragraphs 3 and 4 of this Article.

2. If the national lottery operator intends to use the software of the lottery device or devices when operating a national lottery, the following documents and particulars shall be submitted together with the documents specified in paragraphs 1 and 2 of Article 11 and point 2 of paragraph 1 of Article 13 of this Law:

- 1) the name of the lottery device or devices;
- 2) details of the payment account that will be used for settlements between the lottery operator and the player, Internet addresses, telephone numbers or other contact information that will be used for operating lotteries;
- 3) numerical computer (IP) and connection addresses of the servers of the lottery device or device software, data of connection to the lottery device or device software, enabling the Control Authority to freely check the software of the lottery device or device and the information stored therein;
- 4) a certificate of conformity of the software of the lottery device issued by the certification body.

3. The rules of the lottery must specify:

- 1) particulars of the operator of the lottery (name, legal form, registered office, code, register in which data on the operator of the lottery is collected and stored);
- 2) type and name of the lottery;
- 3) place of operation of the lottery;
- 4) substance of the lottery;
- 5) procedure for determining the winners of the lottery;
- 6) description of a lottery ticket;
- 7) price of a lottery ticket or an identifiable entry in the database of the lottery's computer system;
- 8) number of lottery tickets to be distributed (if a local lottery is operated);
- 9) procedure for numbering lottery tickets or an identifiable entry in the database of the lottery's computer system (ticket series and numbers indicated);
- 10) sample lottery ticket;
- 11) the forms of prizes, in the rules of an instant lottery – the value of prizes in goods and gratuitous services, the amounts of monetary prizes, the number of prizes and the total amount of prizes, in the rules of draw lottery – the procedure for forming and calculating prizes;
- 12) percentages of the prize fund;
- 13) period of operation of the local lottery (if a local lottery is operated);

14) procedure for distribution of a record identifiable in the database of the lottery's computer system or the lottery tickets;

15) procedure for checking lottery tickets;

16) procedure for collection of prizes;

17) rights and obligations of players and the lottery operator;

18) procedure for submission and examination of claims;

19) description and rules of the television game (if a television game is operated).

4. The provisions of the lottery rules must not be contrary to this Law, other legal acts of the Republic of Lithuania regulating the operation of lotteries, must be comprehensive, accurate, clear and harmonized with each other.

5. Amendments to the Lottery Rules may only be applied to a series of instant lottery tickets printed and/or issued after such amendments or to lottery tickets acquired for the nearest lottery or sports competition following these amendments, the outcome of which is estimated by the player.

6. When the Control Authority issues or revises a license, the lottery operator shall approve the lottery rules or amendments thereto agreed upon with the Control Authority and submit a copy of the approved lottery rules or amendments thereto to the Control Authority no later than within 5 working days.

Article 31. National lottery report

At the end of each calendar quarter, no later than by the 25th day of the first month of the following calendar year and – after the end of the calendar year – no later than within 4 months from the end of the calendar year, the national lottery operator must submit lottery reports to the Control Authority on the number of lottery tickets distributed, lottery ticket turnover, prizes paid out and support provided for previous quarters and for the year. Reporting forms, completion and submission procedures shall be established by the Control Authority.

Article 32. End of lottery

1. The lottery must end when:

1) the lottery operator decides to announce the end of the lottery;

2) the license to operate a lottery is revoked;

3) the period of operating the lottery ends.

2. Except in the case referred to in point 2 of paragraph 1 of this Article, the lottery operator must file an application to the Control Authority for the revision of the license.

3. If the ratio of the value of the lottery tickets distributed by the closing lottery to the prizes collected by the players is lower than the prize fund established in the lottery rules, the lottery operator must:

1) announce the end of the instant lottery on the company's website and in the national newspaper and indicate the deadline by which players can withdraw their prizes. At the end of the withdrawal period, the lottery operator must transfer the amount of money that has not been paid out as a prize to the beneficiaries specified in the Law on Charity and Support and ensure that the ratio of paid out prizes together with support to the value of distributed lottery tickets would not be lower than the prize fund established in the lottery rules;

2) organise an additional lottery draw or draws so that the amount of money paid out for prizes before the end of the announced lottery is not less than the prize fund established in the lottery rules. If the ratio of the value of distributed lottery tickets to the prizes withdrawn by players is still lower than the prize fund established by the lottery rules after the organisation of additional lottery draw or draws, the lottery operator must transfer the amount not paid-out as prizes to the beneficiaries specified in the Law on Charity and Support and to ensure that the amount of prizes paid out, together with the amount transferred for support, and the ratio of the value of lottery tickets distributed is not less than the prize fund established in the lottery rules.

4. The national lottery operator must keep the rules of national lotteries, their amendments, contracts related to the distribution of lottery tickets and other documents for at least one year from the end of the national lottery.

CHAPTER III

REQUIREMENTS FOR LOTTERY TICKET DISTRIBUTION VIA THE INTERNET AND BY TELEPHONE COMMUNICATION

Article 33. Requirements for lottery ticket distribution via the internet and by telephone communication

The lottery operator, which distributes lottery tickets via the Internet and/or by telephone communication, must ensure by technical and organisational means that:

1) the persons who are prohibited from participating in the lottery in accordance with the requirements established in paragraph 2 of Article 28 of this Law would not be able to purchase lottery tickets distributed via the Internet and/or by telephone communication;

2) the identity of the persons purchasing lottery tickets via the Internet and/or telephone communication is established and they are registered;

3) the lottery tickets purchased by at least two players could participate during the draw of the draw lottery;

4) no trial online lottery games are offered, during which the player would be able to try the lottery game without buying a lottery ticket;

5) when operating instant lotteries via the Internet, a player would not be able to reveal all the hidden numbers and/or other symbols on the lottery ticket at the same time;

6) accounting of the amounts paid by the player for the purchase of lottery tickets and the prizes paid out to the players would be carried out.

Article 34. Purchase of online lottery tickets and pay-out of prizes

1. One player account shall be registered in the database of the lottery operator, in which the amounts of money paid in advance by the player for the purchase of lottery tickets distributed online and the prizes paid to the player shall be recorded.

2. Without prejudice to the requirements established in paragraphs 2, 3 and 4 of Article 22 of this Law, the lottery operator shall transfer the prizes won via the Internet to the player's account managed by the lottery operator or lottery ticket distributor or to the player's payment account specified by the player.

3. The lottery operator, having established that a person referred to in paragraphs 2 and 7 of Article 28 and paragraph 1 of Article 35 of this Law is participating in the lottery via the Internet, must prevent such person from participating in the lottery and refund the amount paid for the lottery ticket or tickets.

Article 35. Protection of players of online lotteries

1. A player participating in an online lottery shall have the right to file a request to the lottery operator or a lottery ticket distributor, by logging in to his account, specifying one or more of the restrictions applicable to the requesting player's participation in online lotteries. A player may request:

1) to limit the maximum amount of money he can spend on lottery tickets during a certain period;

2) to allow the choice of the time limit for participation in lotteries, after which the possibility to participate in lotteries must be terminated.

2. The player may change the request (except for the request for an even higher amount of money and/or time limit) not earlier than after one month from the date of submission of the request.

3. The lottery operator must ensure that the restrictions referred to in paragraphs 1 and 2 of this Article are complied with.

4. A player participating in online lotteries must be clearly informed of the balance of his account at all times and periodically, at least once an hour, information on how long he has been playing the lottery continuously. Information on the total amount of money paid for lottery tickets and the amount of prizes must be easily accessible to the player.

CHAPTER IV

STATE SUPERVISION OF OPERATION OF LOTTERIES

Article 36. Control Authority

1. The activities of national and local lottery operators shall be supervised by a supervisory authority.

2. The main task of the Control Authority shall be to supervise the operation of lotteries in order to ensure that the interests and rights of players and lottery operators are protected.

Article 37. Main functions of the Control Authority

When implementing the provisions of this Law, the Control Authority shall:

- 1) examine the documents required for the issuance of licenses to operate lotteries;
- 2) issue licenses, revise them, refuse to issue licenses, warn of possible suspension of licenses, suspend licenses, revoke the suspension of licenses and revoke licenses;
- 3) supervise the compliance of lottery operators with the requirements of legal acts regulating the operation of lotteries;
- 4) upload license data to the License Information System.

Article 38. Rights of the Control Authority

1. In carrying out the task assigned to it and performing the functions assigned to it, the Control Authority shall have the right to:

- 1) obtain from lottery operators the information necessary for the performance of supervisory functions;
- 2) carry out inspections at the places of operation of lotteries and distribution of lottery tickets;
- 3) inspect the financial activities of lottery operators related to operation of lotteries;
- 4) require lottery operators to provide explanations regarding the operation of lotteries;

5) determine the forms and procedure for submission of reports to be submitted by the lottery operator;

6) impose on the lottery operators the sanctions established by this Law: suspension, revocation of the license and other measures provided for in the legal acts regulating the operation of lotteries;

7) impose administrative penalties.

2. Civil servants and other employees of the Control Authority shall, in performing the tasks assigned to them, also have other rights granted by the legal acts regulating the operation of lotteries.

Article 39. Submission of financial documents to the Control Authority

1. At the end of each calendar quarter, no later than on the last day of the first month of the following calendar year, the national lottery operator must submit to the Control Authority a set of interim financial statements and the accounting records requested by the Control Authority.

2. The annual financial statements of the national lottery operator must be audited and published on the company's website no later than within 4 months after the end of the financial year together with the auditor's report.

3. The national lottery operator must ensure that, at the request of the Control Authority, the accounting documents are submitted to the Control Authority without delay, but no later than within 2 working days.

I promulgate this law passed by the Seimas of the Republic of Lithuania.

THE PRESIDENT OF THE REPUBLIC

ROLANDAS PAKSAS

Amendments:

1.
Seimas of the Republic of Lithuania, Law
No. XI-1580, 15/09/2011, Official Gazette, 2011, No. 119-5613 (01/10/2011), e. c. 1111010ISTA0XI-1580
Law Amending Articles 4, 10, 11, 13, 15, 19, 20, 23, 26 and 27 of the Law on Lotteries of the Republic of Lithuania

2.
Seimas of the Republic of Lithuania, Law
No. [XII-1111](#), 23/09/2014, published in RLE on 02/10/2014, e. c. 2014-13427
Law Amending Articles 2, 10 and 14 of the Law on Lotteries of the Republic of Lithuania No. IX-1661

3.
Seimas of the Republic of Lithuania, Law
No. [XIII-2598](#), 03/12/2019, published in RLE on 19/12/2019, e. c. 2019-20557
Law Amending Law on Lotteries of the Republic of Lithuania No. IX-1661