



HEADQUARTERS

World Lottery Association

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Statement from the WLA on State-authorized lotteries

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About state-authorized lotteries

Under licenses exclusive to their respective jurisdictions, state-authorized lotteries provide entertaining games to the general public in a regulated environment for the purpose of channeling gaming desire and raising money for good causes. In this way, consumers are afforded a legal and safe opportunity to partake in attractive and entertaining games, in a socially responsible manner, and for the benefit of the public. Funds raised for good causes are returned to society in support of public welfare and benefit a wide range of public goods, from grassroots sports through to conservation measures and assistance for the disabled.

The Spanish foundation ONCE (Organización Nacional de Ciegos Españoles, or National Organization of the Blind in Spain) acts as an exemplar of the place of state-authorized lotteries in society. Through the regulated sale of safe and entertaining lottery products to the public, it directly supports more than 19,500 full-time employees with visual impairment or other disabilities. Beyond this, it returned more than EUR 600 million to society in 2015 in support of a range of other good causes.

About the WLA

The World Lottery Association (WLA) is a non-profit, international member-based organization of state-authorized lottery and sports betting operators and suppliers to the lottery industry. The WLA represents the interests of, and provides services to, some 150 state-authorized lottery organizations and 60 suppliers to the lottery and sports betting industry from around the globe.

Membership of the WLA requires adherence to strict criteria. The WLA by-laws stipulate that organizations eligible for membership subscribe to a code of conduct; the WLA code of conduct exists in part to ensure that the tax component determined by each country is not improperly altered through the use of electronic or offshore commerce. The association's by-laws further require that organizations eligible for membership are licensed or authorized by a jurisdiction domiciled in a State recognized by the United Nations and not identified as a country that has strategic deficiencies by the Financial Action Task Force on Money Laundering (FATF). A core principle upheld by WLA members is that not only must they be authorized by the States in which they operate and conform to all applicable legislation, they do not and cannot offer their products in any jurisdiction where they do not hold a specific authorization. That is, WLA members are not involved in unregulated cross border sales.



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In short, then, WLA member lotteries operate within strict laws that transparently benefit national governments, communities, and good causes, and protect the population by offering safe games in a healthy and legal environment.

Contributions to society

In return for the exclusive right to offer safe and entertaining games to the public in the jurisdictions in which they are licensed, WLA member lotteries are typically mandated by those jurisdictions to contribute to the public welfare by returning money to society in support of good causes. Usually, this mandate is received by legislative fiat. Thus, for example, Assembly Bill No. 142 of the California State Legislature requires the California State Lottery to return at least 87% of total annual revenues to the public in the form of prizes and contributions to education; further, the lottery is restricted from spending more than 13% of total revenues on administrative expenses.

In recognition of the success of this exclusive license model, in 2015 WLA member lotteries returned USD 76.1 billion in money to good causes for the support of society. On a regional basis, in 2015 WLA member lotteries returned to:

- Africa: USD 105 million
- Asia Pacific: USD 28.1 billion
- Europe / The Middle East: USD 26.2 billion
- Latin America: USD 2.6 billion; and
- North America / The Caribbean: USD 19.1 billion.

Integrity and transparency

WLA member lotteries and sports betting operators ensure that the natural demand for games of chance is primarily channeled through legal and supervised lottery retail networks. WLA members operate within a rigorous framework that respects the highest standards of integrity, consumer protection, and transparency, together with the duly authorized legal systems that determine where, and in what form, gaming products can be provided to the citizens of a particular jurisdiction. The public's trust and confidence in the integrity of lotteries and other regulated games is ensured through certification programs such as the lottery sector's only internationally recognized security standard, the WLA Security Control Standard. Collectively, these efforts serve to ensure not only that revenues are sustained for the public good, but also that the playing public is protected from the depredations of illegal gaming.

Unlike state-regulated gaming, illegal gaming offers exhibit little regard for the safety and security of players, particularly minors and other vulnerable and at-risk consumers. No transparent measures are taken to ensure the security and integrity of games, which may be offered online, across unregulated borders. Further, illegal gaming undermines authorized lotteries' efforts to contribute to the public good – over USD 76 billion in 2015 – and can be a source of funds for organized crime or provide a platform for money laundering.



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Corporate social responsibility

A guiding philosophy of WLA members is to facilitate responsible play, to protect consumers and minimize problem gaming, contributing thereby to the continuity of public order and the fight against illegal gaming. The WLA Responsible Gaming Framework (WLA RGF), instituted by the WLA in 2006, requires WLA members that commit to its principles to ensure responsible gaming forms an integral part of their daily operations. WLA member lotteries can certify to four levels of the WLA, with each level representing an increasing degree of commitment. To ensure the highest standards of transparency and integrity, certification to the highest level of the WLA RGF, level 4, is reviewed by an independent panel of experts not tied to our members. As of this writing, 55 WLA member lotteries, or more than one third of the WLA membership of state-authorized lotteries and sports betting operators, are certified to level 4 of the WLA RGF. Overall, 85 WLA member lotteries – over half the WLA's membership of lottery and sports betting operators – are certified to level 2 of the WLA RGF or higher.

It is well known that the phenomenon of problem gaming is a complex issue. According to studies conducted, approximately one to two percent of the population may be affected. It is generally recognized that lottery products exhibit a low degree of risk for problem gaming. Lottery products typically draw from a large player pool, over 70% of adults in most jurisdictions; this enables lotteries to explicitly pursue strategies that mitigate the risk of gaming addiction by capitalizing on the large player base. Thus Camelot, the operator of the United Kingdom's National Lottery, pursues an explicit strategy of encouraging 'lots of people playing a little, not a few people playing a lot.' More generally, play reflects a jurisdiction's demographics: it is not the payout percentage that one should look to when judging a lottery product's performance, but rather the net profit it produces.

Further information

For further information on a specific lottery, please address the lottery itself directly.