



On lotteries and lottery activities

Unofficial translation

The Law of the Republic of Kazakhstan dated 9 April 2016 № 495-IV.

Unofficial translation

This Law regulates public relations in the field of lottery and lottery activities in the Republic of Kazakhstan, determines the procedure and conditions for its organization and conduct, establishes organizational bases for state regulation in the field of lottery and lottery activities.

Chapter 1. General provisions

Article 1. Basic concepts used in this Law

The following basic concepts are used in this Law:

1) super prize is a part of the prize fund of circulation lottery, not played out in the course of drawing and transferring from one draw to the next draw according to the terms of the lottery;

2) prize fund - money and (or) other property formed by distributing (selling) lottery tickets, receipts or other documents or from the lottery operator's own funds and paid out to lottery participants in the form of winnings;

3) drawing of the prize fund - the process that takes place after the distribution (sale) of lottery tickets, receipts or other documents and is aimed at determining the winning participant(s) of the lottery;

4) a lottery is a game that is held in accordance with this Law, the terms of the lottery and the contract in which one party (the lottery operator) holds a raffle of the prize fund, and the second party (the lottery participant) receives the right to win if it is recognized as the winner in accordance with the terms of the lottery. The lottery is not a drawing of prizes aimed at stimulating sales of goods (services) by commercial organizations;

5) lottery information processing centre - a hardware and software complex connected to communication networks and designated for obtaining, storing and recording information on distributed (sold) lottery tickets, receipts or other documents, proceeds from sold lottery tickets, receipts or other documents, paid winnings, and transfer of such information from the lottery operator to the lottery reporting centre;

6) a lottery ticket, receipt or other document is a document provided for with the lottery conditions, including in electronic form, confirming the right to participate in the lottery;

7) lottery reporting centre - a hardware and software complex connected via communication networks to the lottery information processing centre, enabling timely receipt

of information from the lottery operator on distributed (sold) lottery tickets, receipts or other documents, proceeds from sold lottery tickets, receipts or other documents, and paid winnings ;

8) lottery equipment is a device or devices (a random number generator, mechanical, electrical, electronic or other technical devices) intended to determine a prize lottery combination;

9) the authorized body in the field of lottery and lottery activities (hereinafter referred to as the authorized body) is the central executive body that exercises leadership in lottery sphere and lottery activities;

10) lottery combination is a set of symbols (inscriptions, numbers, signs, figures) stipulated with the lottery conditions specified in the lottery ticket, receipt or other document;

11) lottery participant is an individual who has reached the age of eighteen, owning a lottery ticket, receipt or other document entitling him to take part in the drawing of the prize fund;

12) excluded by Law № 343-VI of 10.06.2020 (shall be enacted ten calendar days after the date of its first official publication);

13) lottery operator – a legal entity conducting lottery activity;

14) lottery - carrying out activities that include manufacturing lottery tickets, receipts or other documents or concluding agreements for their manufacturing, as well as concluding agreements with the manufacturer of lottery and other equipment, software and (or) other agreements (contracts) necessary to carry out the lottery, distribution (sale) and accounting of lottery tickets, receipts or other documents, drawing of the prize fund, examination of winning lottery tickets, receipts or other documents, payment of winnings to participants of the lottery, performance of other actions and activities necessary for the lottery;

14-1) distributor (agent) of the lottery - an individual entrepreneur or a legal entity that distributes (sells) lottery tickets, receipts or other documents for a fee, verifies the winning lottery tickets, receipts or other documents and pays out winnings on behalf and at the expense of the lottery operator;

15) a lottery terminal - equipment designed to sell (issue) lottery tickets, receipts or other documents;

16) instant lottery - a type of lottery in which a set of symbols (inscriptions, numbers, signs, drawings) allowing to determine winnings is embedded in lottery tickets, receipts or other documents at the stage of production and before their distribution (sale) among lottery participants. In an instant lottery, the participant of such a lottery shall, immediately after paying for the lottery ticket, receipt or other document and issuing (drawing) the lottery ticket , receipt or other document, determine the presence and amount of his/her winnings or their absence;

17) circulation - the number of distributed (sold) lottery tickets, receipts or other documents participating in the drawing of the prize fund (part of the prize fund) in conformity with the terms and conditions of the lottery;

18) circulation lottery - a type of lottery where the prize fund is drawn between participants using lottery equipment, once the lottery tickets, receipts or other documents have been distributed (sold);

19) winning is a part of the prize fund paid by the lottery operator in the amount and form (monetary or in kind) in accordance with the terms of lottery to the lottery participant recognized as having won in accordance with the terms of the lottery.

Footnote. Article 1 as amended by Law of the Republic of Kazakhstan № 343-VI dated 10.06.2020 (shall be enforced ten calendar days after its first official publication); dated 19.04.2023 № 223-VII (shall be enforced ten calendar days after the date of its first official publication).

Article 2. Legislation of the Republic of Kazakhstan on lotteries and lottery activities

1. Legislation of the Republic of Kazakhstan on lotteries and lottery activities is based on the Constitution of the Republic of Kazakhstan and consists of this Law and other normative legal acts of the Republic of Kazakhstan.

2. If an international treaty ratified by the Republic of Kazakhstan establishes other rules than those contained in this Law, the rules of the international treaty shall apply.

Article 3. Basic principles in the field of lottery and lottery activities

The basic principles in the field of lottery and lottery activities are:

1) ensuring equality of conditions for participation in the lottery, which implies equality of chances of lottery participants to win;

2) ensuring publicity, implying mandatory publication of the lottery terms and the results of circulation lottery prize fund.

Article 4. Guarantees of the rights of lottery participants

1. The agreement between the lottery operator and the participant of the lottery shall be deemed concluded from the moment the participant pays for the lottery ticket, receipt or other document and issues (executes) the lottery ticket, receipt or other document.

2. The acquisition of a lottery ticket, receipt or other document serves as the basis for the beginning of a civil obligation under which the lottery participant has the right to demand from the lottery operator:

1) compliance with the terms of the lottery;

2) payout winnings.

3. A lottery participant has the right to challenge in court the decisions and actions (inaction) of the lottery operator.

4. The lottery operator does not have the right to disclose information about the prize lottery participant, unless his written consent is received, except for cases stipulated by the laws of the Republic of Kazakhstan.

5. If the lottery operator's status is revoked, the lottery operator must stop distributing (selling) lottery tickets, receipts or other documents, inform the participants of the lottery through periodicals and on the website of the lottery operator, make payments of winnings for the respective lottery, the draw of which has taken place, and return the money for the sold lottery tickets, receipts or other documents, the draw of which has not taken place, within three months.

Footnote. Article 4 as amended by Law of the RK № 343-VI dated 10.06.2020 (shall go into effect ten calendar days after the date of its first official publication).

Article 5: Types and particularities of lotteries

Footnote. The title of Article 5 as reworded by Law of the Republic of Kazakhstan № 343 -VI dated 10.06.2020 (shall be enacted ten calendar days after the date of its first official publication).

1. The lottery shall be classified into the following types, depending on the way it is conducted:

- 1) instant lottery;
- 2) draw-based lottery.

The types of lotteries referred to in the first part of this paragraph may be subdivided pursuant to the territory and technology of the lottery, as well as the way in which the prize fund is generated.

1-1. The specifics of lotteries shall be determined by the rules of lotteries.

2. The organisation and conduct of other lotteries in the Republic of Kazakhstan shall be prohibited, except for lotteries organised and conducted in the manner prescribed by the legislation of the Republic of Kazakhstan on lotteries and lottery activities.

3. It is not allowed to conduct gambling and / or betting under the guise of lotteries.

4. It is prohibited to conduct a lottery by a person who is not a lottery operator.

5. Distribution (sale) of lottery tickets, receipts or other documents by a person who is not a lottery operator or distributor (agent) of the lottery shall be prohibited.

Footnote. Article 5 as amended by Law of the Republic of Kazakhstan № 343-VI dated 10.06.2020 (shall be enforced ten calendar days after its first official publication).

Chapter 2. STATE REGULATION IN THE SPHERE OF LOTTERY AND LOTTERY ACTIVITIES

Article 6. Competence of the Government of the Republic of Kazakhstan

The Government of the Republic of Kazakhstan develops the main state policy directions in lottery and lottery activities and organizes their implementation.

Footnote. Article 6 as amended by the Law of the Republic of Kazakhstan dated 19.04.2023 № 223-VII (shall be enforced ten calendar days after the date of its first official publication).

Article 7. Competence of an authorized body

An Authorized body:

1) forms and implements the state policy in lottery and lottery activities;

1-1) determines the lottery operator and the period for granting it the right to conduct the lottery;

2) exercises state control over the observance of the legislation of the Republic of Kazakhstan on lotteries and lottery activities, as well as over the observance of the legislation of the Republic of Kazakhstan on combating legalisation (laundering) of proceeds of crime and the financing of terrorism;

3) elaborates and jointly with the competent authority on entrepreneurship approves the risk assessment criteria, checklists in obedience to the Entrepreneurial Code of the Republic of Kazakhstan;

3-1) develops and approves lottery rules;

4) exercises other powers provided for by this Law, other laws of the Republic of Kazakhstan, acts of the President of the Republic of Kazakhstan and the Government of the Republic of Kazakhstan.

Footnote. Article 7 as amended by Law of the RK № 343-VI dated 10.06.2020 (shall be enacted ten calendar days after the date of its first official publication); № 131-VII of 01.07.2022 (shall be brought into force upon the expiry of sixty calendar days from the date of its first official publication); dated 19.04.2023 № 223-VII (shall be enforced ten calendar days after the date of its first official publication).

Chapter 3. CONDUCTING LOTTERY

Article 8. General requirements for the lottery operator

1. The lottery operator is not entitled to engage in other types of entrepreneurial activities, except for the lottery.

2. Legal entities can not act as a lottery operator in the following cases:

1) whose financial and economic activities are suspended in accordance with the legislation of the Republic of Kazakhstan;

2) included in the list of organizations associated with the financing of terrorism and extremism, in accordance with the procedure established by the legislation of the Republic of Kazakhstan;

3) having unfulfilled obligations under executive documents and included in the relevant register of debtors by the authorized body in the field of executive documents enforcement;

4) the founders (participants) and (or) the executive body, and (or) the affiliated person of whom are persons who are close relatives, spouse or relatives of the heads of the authorized body;

5) the founders (participants) and (or) the executive body, and (or) whose affiliated person are persons with unfinished or unpaid conviction for economic crimes or intentional crimes of medium gravity, serious crimes, grave crimes, and (or) persons included in the list of persons

associated with the financing of terrorism and extremism, in accordance with the procedure established by the legislation of the Republic of Kazakhstan.

3. The lottery operator shall ensure the placement of a lottery reporting center in the authorized body.

The lottery operator through the lottery information processing centre shall ensure the collection, formation, storage and accounting of information on distributed (sold) lottery tickets, receipts or other documents, proceeds from sold lottery tickets, receipts or other documents, paid winnings and their submission to the lottery reporting centre at least once a month.

Footnote. Article 8 as amended by Law of the RK № 343-VI dated 10.06.2020 (shall come into force ten calendar days after the date of its first official publication).

Article 8-1. Distributor (agent) of the lottery

The distributor (agent) of the lottery shall carry out its activities based on a commission agreement concluded with the operator of the lottery.

The commission agreement shall be concluded in conformity with the civil legislation of the Republic of Kazakhstan with the specifics on distribution (implementation) of the lottery provided for by this Law and the rules of lotteries.

Footnote. Chapter 3 as supplemented by Article 8-1 in obedience to Law of the RK № 343-VI dated 10.06.2020 (shall be enacted upon expiry of ten calendar days after its first official publication).

Article 9. Requirements for the lottery terminal, lottery information processing center, lottery reporting center, lottery equipment

1. Lottery terminals must be equipped with cash registers which models are included in the state register of cash registers in accordance with the Code of the Republic of Kazakhstan "On Taxes and Other Mandatory Payments to the Budget" (the Tax Code).

Lottery terminals can also provide for the possibility of paying out winnings, taking into account the withholding of individual income tax at the source of payment.

2. The lottery information processing center shall be located on the territory of the Republic of Kazakhstan.

The lottery information processing center and the lottery reporting center should protect information from loss, theft, misrepresentation, forgery, unauthorized access and actions for its distribution, blocking, destruction, modification, copying and other unlawful actions.

3. Technical characteristics of the lottery equipment should ensure the random distribution of winnings in the raffle of the prize fund.

4. The lottery equipment should not contain hidden features and (or) procedures and algorithms that allow predetermining the result of the prize fund drawing before the beginning of such a rally.

5. Lottery equipment must not have a network connection to the lottery terminals.

Footnote. Article 9 as amended by Law of the RK № 343-VI dated 10.06.2020 (shall come into force ten calendar days after the date of its first official publication).

Article 10. Terms and Conditions for the Lottery

1. The lottery conditions are developed and approved by the lottery operator.
2. The conditions of the lottery shall include the following information:
 - 1) the name of the lottery;
 - 2) a statement of the method, territory and technology of the lottery, as well as the method of forming the prize fund;
 - 3) the name of the lottery operator with indication of its location, bank details, business identification number;
 - 4) terms of the lottery;
 - 5) description of the lottery concept;
 - 6) organizational and technological description of the lottery;
 - 7) the rights and obligations of lottery participants;
 - 8) the procedure and terms for payment of winnings to the lottery participant recognized as a winner, as well as the timing of prize lottery tickets expertise, receipts or other documents;
 - 9) the procedure for informing the lottery participants about the rules of participation in the lottery and the results of the prize fund drawing;
 - 10) the procedure for distributing (selling) lottery tickets, receipts or other documents;
 - 11) the price of a lottery ticket, receipt or other document;
 - 12) the size and type (monetary or in kind) of the winnings;
 - 13) the planned size of the prize fund;
 - 14) the procedure for holding a prize fund draw, the algorithm for determining winnings, rules for the formation and drawing of a super prize (if any).
3. The lottery operator must forward the original copy of the lottery conditions approved by him to the authorized body not later than ten calendar days prior to the beginning of the lottery and place the conditions for holding the lottery on its Internet resource no later than one calendar day before the start of the lottery.

Footnote. Article 10 as amended by Law of the RK № 343-VI dated 10.06.2020 (shall be enforced upon expiry of ten calendar days after its first official publication).

Article 11. Formation and distribution of the prize fund

1. The lottery operator shall ensure the formation of a prize fund in the amount of at least fifty percent of the proceeds from the sale of lottery tickets, receipts or other documents of the specific lottery or out of its own funds.
2. The prize fund is formed in accordance with this article and the terms of the lottery.
3. The prize fund of the lottery is formed before the start of its draw.

4. The lottery operator is prohibited from encumbering the prize fund with any obligations, except for the obligations to lottery participants in the payment of winnings, and also to use the prize fund recourses for other purposes than the payment of winnings.

5. The prize fund of circulation lottery must be fully played out within the circulation it relates to, with the exception of circulation lottery, which uses the principle of accumulative formation of the prize fund for several runs (super prize).

6. The payment of winnings is carried out in accordance with this Law and the terms of the lottery.

The payment of winnings must begin not later than within thirty days after the corresponding circulation and last no less than six months from the date of publication of the results of this circulation (prize fund drawing). At the end of this period, claims for unclaimed winnings are accepted in the manner prescribed by the lottery conditions.

7. Winnings that are not claimed in the terms established by the conditions of the lottery are stored by the lottery operator within three years from the publication of the results of the relevant circulation (prize fund drawing), after which they are credited to the budget revenue in the form of a non-tax payment.

Footnote. Article 11 as amended by Law of the RK № 343-VI dated 10.06.2020 (shall be enacted ten calendar days after the date of its first official publication).

Article 12. Requirements for lottery tickets, receipts or other documents

1. Lottery tickets, receipts or other documents, other than in electronic form, must contain the following mandatory information:

- 1) the name of the lottery;
- 2) the name, location, phone numbers and Internet resources of the lottery operator;
- 3) number or name of circulation (for circulation lotteries);
- 4) the number of the lottery ticket, receipt or other document;
- 5) the price of a lottery ticket, receipt or other document;
- 6) date and place of the prize fund lottery (for circulation lottery);
- 7) data on the place and timing of the winnings receipt;
- 8) the size of the prize fund.

1-1. The electronic form of lottery tickets, receipts or other documents must contain the following mandatory information:

- 1) the name of the lottery operator;
- 2) the number of the lottery ticket, receipt or other document;
- 3) the price of the lottery ticket, receipt or other document;
- 4) a link to access extended information on the location, telephone numbers and website of the lottery operator, the name of the lottery, the number or name of the draw (for circulation lotteries), the date and place of the prize draw (for circulation lotteries), the place and deadline for receiving the win, the amount of the prize fund.

2. The information contained in lottery tickets, receipts or other documents must meet the requirements of the legislation of the Republic of Kazakhstan on languages.

3. The electronic form of a lottery ticket, receipt or other document does not require identification through an electronic digital signature.

Footnote. Article 12 as amended by Law of the RK № 343-VI dated 10.06.2020 (shall go into effect ten calendar days after its first official publication).

Article 13. Requirements for the drawing of the prize fund

1. The drawing of the prize fund is carried out in accordance with this Law and the terms of the lottery.

2. Drawing of the prize fund of circulation lottery is carried out by lottery equipment generating a randomly won lottery combination, which the lottery participant must compare with the lottery combination in this drawing in order to reveal his winnings.

3. When conducting the draw of the prize fund of a circulation lottery, the operator of the lottery shall set up a lottery commission, which shall operate in line with this Law and the rules of lotteries.

Representatives of public associations or other non-profit organizations may be included in the commission membership.

4. Responsibilities of the lottery commission:

1) confirmation of compliance of the lottery terms and conditions with the requirements established by the legislation of the Republic of Kazakhstan on lotteries and lottery activities;

2) confirmation of the number of lottery tickets, receipts or other documents participating in the draw of the lottery;

3) confirmation of the draw results by having the draw committee members sign the draw committee minutes and the official draw results table.

The minutes of the draw committee and the official draw results table shall be signed within one working day from the date of the draw.

5. The lottery operator provides translation of the prize fund draw of the circulation lottery with a demonstration of the procedure for determining wins on the television channel in live broadcasting or on the Internet.

6. The results of each draw of the prize fund and winnings by lottery tickets, receipts or other documents of the lottery shall be published by the operator of the lottery in periodicals distributed throughout the Republic of Kazakhstan, within three working days or posted on the website of the operator of the lottery within twelve hours after the specified draw.

7. In case of termination of circulation, its prize fund should be played out completely, including a super prize.

8. Drawing of the instant lottery prize fund is in:

1) identification by the lottery participant of a hidden lottery combination, which is incorporated in a lottery ticket, receipt or other document at the stage of its manufacture;

2) comparison of information revealed by the lottery participant with the terms of the lottery.

9. It is prohibited to use procedures and algorithms that allow predetermining the result of the lottery prize fund drawing before the beginning of such a lottery.

Footnote. Article 13 as amended by Law of the RK № 343-VI dated 10.06.2020 (shall be put into effect ten calendar days after the date of its first official publication).

Article 14. Contributions from the lottery

The lottery operator must allocate at least ten per cent of the difference between the proceeds of the lottery tickets, receipts or other documents sold and the prize fund to the single operator responsible for distributing extrabudgetary funds for the development of physical culture and sport on a quarterly basis, as well as at least ten per cent of the difference between the proceeds of lottery tickets, receipts or other documents sold and the prize fund in the form of mandatory property contributions to the Kazakhstan Khalkyna Public Fund.

Footnote. Article 14 - as reworded by Law of the Republic of Kazakhstan № 177-VII of 30.12.2022 (shall be enacted ten calendar days after the date of its first official publication).

Chapter 4. RESPONSIBILITY FOR VIOLATION OF LEGISLATION OF THE REPUBLIC OF KAZAKHSTAN ON LOTTERIES AND LOTTERY ACTIVITIES.STATE CONTROL OF COMPLIANCE WITH THE LEGISLATION OF THE REPUBLIC OF KAZAKHSTAN ON LOTTERIES AND LOTTERY ACTIVITIES

Article 15. Responsibility for violation of the legislation of the Republic of Kazakhstan on lotteries and lottery activities

Violation of the legislation of the Republic of Kazakhstan on lotteries and lottery activities entails responsibility established by the laws of the Republic of Kazakhstan.

Article 16. State control over compliance with the legislation of the Republic of Kazakhstan on lotteries and lottery activities

1. State control over compliance with the legislation of the Republic of Kazakhstan on lotteries and lottery activities shall be carried out in the form of an unscheduled inspection and preventive control with a visit to the subject (object) of control in accordance with the Entrepreneurial Code of the Republic of Kazakhstan.

2. Excluded by the Law of the Republic of Kazakhstan dated 06.04.2024 № 71-VIII (shall be enforced upon expiration of sixty calendar days after the day of its first official publication).

Footnote. Article 16 as amended by the Law of the Republic of Kazakhstan dated 06.04.2024 № 71-VIII (shall come into effect upon expiration of sixty calendar days after the day of its first official publication).

Chapter 5. FINAL AND TRANSITIONAL PROVISIONS

Article 17. Transitional Provisions

Licensees who carry out activities in the field of organizing and conducting lotteries are obliged to fully play the prize funds of the relevant lotteries, including superprizes, to pay out winnings and return money for realized lottery tickets, receipts or other documents, a rally within six months from the date of introduction of this law, which the prize fund was not held

Article 18. Procedure for Enactment of this Law

This Law shall be enacted upon expiration of ten calendar days after the date of its first official publication, with the exception of Article 5, paragraphs 2 and 4 of this Law, which shall come into force six months after the date of enactment of this Law.

*The President
of the Republic of Kazakhstan*

N. NAZARBAYEV