



Regulating Lotteries in South Africa

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LEVEL I PARTNERS



LEVEL II PARTNER



Regulating for Good Causes

Role of the National Lotteries Commission (NLC)

- The NLC ensures legal, transparent, and fair lottery operations, while directing funds to worthy causes.
- The NLC is required to maintain the integrity of all lotteries and sports pools.

Public-Interest Mandate

- Lotteries in South Africa are regulated to promote social development and benefit the public interest.





Areas Supported by Lottery Funding

About **27% of ticket revenue** supports non-profit community initiatives.

Charitable and Welfare Support

Lottery funds aid charities and welfare organizations to support community outreach services.

Sports and Recreation Development

Investments improve sports facilities and encourage grassroots participation across urban and rural communities.

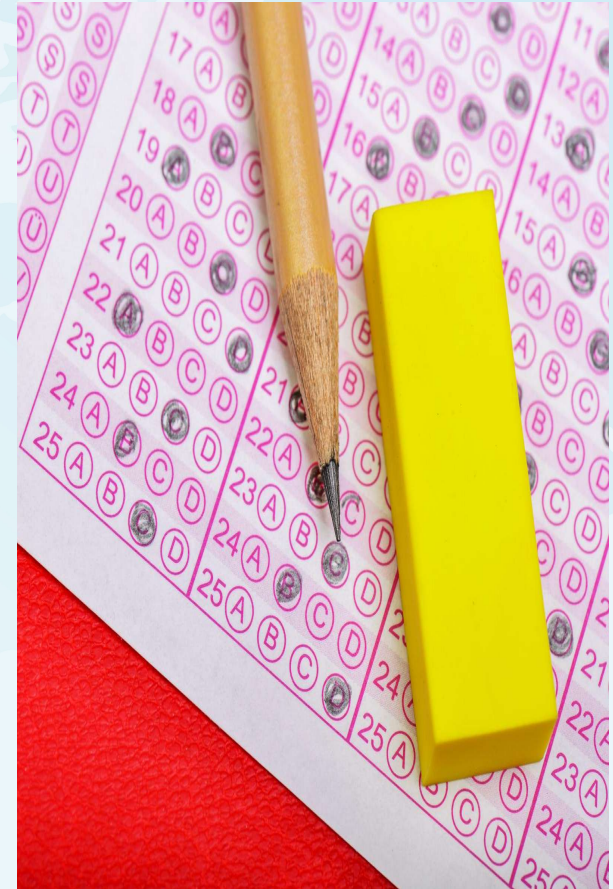
Arts, Culture, and Heritage

Funding supports creative industries, cultural preservation, and promotes diverse South African identities.

Community Development Initiatives

Funds are directed at projects addressing unemployment, education, and infrastructure gaps in underserved areas.

Lotteries and Gambling Regulation



Lotteries & Gambling Landscape

Regulated Lottery System

South Africa's lottery system is structured and well-regulated to ensure fairness and public accountability in all operations.

Lottery Operators

The Licensed and authorised Operators manage daily gaming activities, while society and other lotteries support fundraising.

Gambling Regulation

The National Gambling Board and Provincial Licencing Authorities are mandated to regulate all gambling activities in South Africa. This unfortunately includes allowing bets to be taken on the outcome of the National Lottery.



Promotional Competitions

Promotional Competitions

Promotional competitions support marketing activities of companies and are regulated by the National Consumer Commission in South Africa.

Illegal Lotteries



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Illegal Lotteries

Forms of Illegal Lotteries

Illegal lotteries include:

- unauthorised online platforms for lottery play
- promotional competitions operating beyond regulation and for profit making

Fraud Indicators

Upfront fee requests and demands for personal information are key signs indicating fraudulent lottery activities.

Vulnerable Targets

Illegal lottery operators often target vulnerable populations motivated by financial gain but lacking access to accurate information.

Combating Illegal Lotteries

Effective response needs enforcement, public education, and cooperation between regulatory and law enforcement agencies.

Impact of Illegal Lotteries

Financial and Identity Risks

Illegal lotteries cause direct financial harm and increase the risk of identity theft for participants.

Erosion of Public Trust

Illegal lotteries undermine trust in regulated lottery systems, reducing credibility and public engagement.

Diversion from Social Benefits

Funds lost to illegal lotteries reduce resources for charities and social development projects.

Need for Coordinated Response

Addressing illegal lotteries requires enforcement, public awareness, and support for legitimate lottery participation.

Lotteries and Gambling Revenue

Lottery Revenue

- In 2025 the National Lottery generated over R7 billion [**USD 430 million**]

Gambling Revenue

- In the same year, gambling revenue totaled R1 trillion [**USD 61 billion**]

Estimated Illegal Lotteries and Gambling Revenue

- Illegal lotteries and gambling diverts **R50 billion [USD 3 billion]** in Gross Gambling Revenue offshore annually.

Enforcement of Illegal Lotteries

- The NLC instituted legal action against an illegal lottery in 2016. Ten years later, the case is still to be heard at the Supreme Court of Appeal.



New Form of Illegal Lotteries

New Illegal Lotteries

A new form of illegal lotteries was identified two years ago:

- Competitions are being promoted to the public, under the guise of a promotional competition.
- Celebrities and influencers are being used to promote these activities.
- The NLC's legal analysis identified these as not being promotional competitions, but as illegal lotteries, because persons are required to pay a fee to enter the competition.

New Illegal Lotteries

The National Consumer Commission has been engaged to join the NLC in instituting legal action against the operators.

There are currently two such competitions/illegal lotteries operating.

The NLC received requests from two other entities wanting to operate similar activities, with the aim of raising funds for non-profit entities. Although this is allowed, proper registration and strict compliance with the Lotteries Act is required.

Protection and Safeguards



Protecting Lottery Players

Regulatory Enforcement

Strict compliance and regular compliance reviews ensure fairness and transparency in lottery operations.

Complaint Investigation

NLC investigates player complaints and resolves disputes quickly to protect participants.

Public Awareness Campaigns

Educational efforts inform the public about illegal lotteries and safe gaming practices.

Responsible Gaming Promotion

Operators must provide clear information to encourage safe and responsible lottery participation.

Protecting Vulnerable Groups

Identifying Vulnerable Groups

The elderly, low-income, and digitally illiterate individuals face higher risks from illegal lotteries in South Africa.

Outreach and Education Initiatives

The NLC conducts workshops and campaigns to raise awareness about legitimate lotteries.

Responsible Gaming Measures

Guidelines on spending limits and clear odds communication help protect lottery participants from exploitation.

Empowerment Through Prevention

Education and prevention empower individuals to make informed decisions and strengthen public resilience.

Conclusion

The Role of Governance

Governance and regulatory oversight ensure economic benefits and social responsibility in South Africa's lottery ecosystem.

Supporting National Development

Lottery proceeds fund good causes, demonstrating gaming's role in contributing to society.

Challenges of Illegal Lotteries

Illegal lotteries threaten player protection and reduce funding for essential community programs.

Ensuring Player Protection

Protecting vulnerable groups is central to fostering safe and responsible participation in lotteries.



I Thank You