

Please Note: This document is an unofficial consolidation of the *Atlantic Lottery Regulations* which reflects amendments made by N.S. Reg. 220/2009 (O.I.C. 2009-252)] which are effective October 1, 2009. It is prepared for reference only.

- 1 These regulations may be cited as the "Atlantic Lottery Regulations".
- 2 In these regulations
 - (a) "Act" means the Gaming Control Act;
 - (c) "Commission" means the Alcohol and Gaming Authority;
 - (d) "Corporation" means the Nova Scotia Gaming Corporation;
 - (e) "Lottery Corporation" means the Atlantic Lottery Corporation Inc.;
 - (f) "lottery equipment" means all of the following:
 - (i) a ticket,
 - (ii) a terminal for selling or validating tickets,
 - (iii) a ticket checker,
 - (iv) any computer equipment or software used by the Lottery Corporation, a lottery equipment supplier or a retailer in operating a lottery scheme governed by these regulations,
 - (v) a lottery management system,
 - (vi) any equipment that could influence the outcome of a lottery scheme or, in the opinion of the Executive Director, is integral to conducting, managing or operating a lottery scheme;
 - (g) "lottery equipment supplier" means a person, other than the Lottery Corporation, the Corporation or the Interprovincial Lottery Corporation, who does any of the following:
 - (i) manufactures, provides, installs, tests, maintains or repairs lottery equipment,

(ii) provides gaming services that could influence the outcome of a lottery scheme or, in the opinion of the Executive Director, are integral to conducting, managing or operating a lottery scheme;

(ga) "lottery management system" means a centralized computer system for monitoring lottery equipment and for recording or transmitting gaming information or information about transactions in a lottery scheme;

(gb) "registered lottery equipment supplier" means a lottery equipment supplier registered under Part II of the Act as a registered supplier;

(h) "retailer" means a person authorized by the Lottery Corporation to sell tickets to the public;

(i) "ticket" means a ticket, certificate, electronic record or other instrument issued under a lottery scheme and authorized for sale by the Corporation;

(ia) "ticket checker" means a computer device that is linked to the Lottery Corporation's lottery management system and enables a player to independently check whether a ticket is a winning ticket;

(j) "winner" means a person entitled to a prize under a lottery scheme.

Application of regulations

2A These regulations apply to lottery schemes conducted and managed by the Corporation and operated by the Lottery Corporation, but do not apply to lottery schemes to which the *Video Lottery Regulations* made under the Act apply.

Nature of lottery schemes

3 A lottery scheme must consist of a system for issuing and selling tickets and for distributing prizes to winners selected in one of the following ways:

(a) at random from among the holders of tickets issued or sold;

(b) in relation to the outcome of sporting events or other events and in accordance with game rules established by the Lottery Corporation.

3A A prize must consist of one of the following:

(a) a sum of money;

(b) goods.

4 **(1)** Under each lottery scheme, the Lottery Corporation must fix the consideration to be paid or given to secure a chance to win prizes and the amounts and values of prizes and the terms and conditions thereof.

(2) The Lottery Corporation must ensure that the terms and conditions of every ticket are printed on each ticket.

Sale of lottery tickets

5 (1) The Lottery Corporation is responsible for the promotion of lottery schemes and for the sale of tickets.

(2) Tickets may be sold to the public directly by the Lottery Corporation or indirectly through retailers.

(3) Where the Lottery Corporation issues or sells tickets to a retailer, a discount or commission fixed by the Lottery Corporation may be granted to the retailer.

(4) A retailer must not sell a ticket at a price other than the face amount shown on the ticket.

Retailer operating procedures

6 (1) If tickets in a lottery scheme are to be sold through retailers, the Lottery Corporation must submit retailer operating procedures for the lottery scheme to the Executive Director for approval.

(2) Retailer operating procedures must include procedures for activating tickets, selling tickets, validating tickets and paying prizes.

(3) The Lottery Corporation must ensure that each retailer is provided with a copy of the approved retailer operating procedures for each lottery scheme the retailer participates in.

(4) The Lottery Corporation must take all reasonable steps to ensure that a retailer acts in accordance with the approved retailer operating procedures.

(5) A retailer must comply with the approved retailer operating procedures.

Age restrictions

7 (1) A person must not sell a ticket to a person who is under 19 years old.

(2) A retailer must not validate a ticket presented by a person who is under 19 years old.

(3) A retailer must not pay out a prize to a person who is under 19 years old.

(4) A retailer must require a person who appears to be under 19 years old to provide proof of age before doing any of the following:

(a) selling a ticket to the person;

(b) validating a ticket presented by the person;

(c) paying out a prize to the person.

Credit granting and loans

7A A retailer must not grant credit or provide a loan to enable a person to buy a ticket.

Signature required for validation

7B If a ticket contains a line for the signature of the ticket-holder, a retailer must not validate the ticket unless it has been signed.

Validating tickets

7C (1) This Section applies if a retailer validates tickets through a computer terminal linked to the Lottery Corporation's lottery management system.

(2) A retailer must locate any computer terminal used to validate a ticket so that the ticket validation results are visible to the person presenting the ticket for validation.

(3) After validating a ticket, a retailer must immediately

(a) give the person presenting the ticket a validation slip that corresponds to the ticket being presented for validation; and

(b) return the ticket to the person presenting the ticket.

(4) A retailer must ensure that a ticket checker is available and accessible for use by any person who wishes to check a ticket held by that person.

Lottery Corporation to provide equipment

7D The Lottery Corporation must ensure that a retailer is provided with the lottery equipment required for the retailer to comply with these regulations and the retail operating procedures for all lottery schemes the retailer participates in.

Prize account

8 (1) The Lottery Corporation must deposit an amount equal to the sum of the prizes announced as payable in respect of each lottery scheme in an account in the name of the Lottery Corporation called the "prize account" to be maintained with a chartered bank or trust company.

(2) Twelve months from the date of the draw for each lottery scheme, the Lottery Corporation must transfer from the prize account and deposit with a chartered bank or trust company in the name of the Lottery Corporation, in an account called the "special prize account", an amount equal to the sum of the prizes

announced as payable in respect of that lottery scheme which have not been claimed or paid and payment must be made out of the special prize account only to pay prizes.

Payment of prizes

9 It is a condition for entitlement to collect any prize that the claimant

- (a) satisfy the Lottery Corporation that the claimant is a winner;
- (b) make the claim on or before any expiration date marked on the ticket by the Lottery Corporation;
- (c) give the Lottery Corporation the right to publish the name, address, photograph or picture of the claimant without any claim on the Lottery Corporation for broadcasting, printing, royalty or other rights; and
- (d) if required by the Lottery Corporation or the Corporation, give to the Lottery Corporation a valid release for the prize and undertake to save the Lottery Corporation harmless from any further claim on that prize.

10 Where there is more than 1 claimant for payment of the same prize, the Lottery Corporation may pay the money into court pending settlement of the dispute by a court of competent jurisdiction.

Retailer prize payout

10A If a retailer pays out a prize to a winner, the retailer must pay the winner the full amount of the prize.

Retailer to report problems to Lottery Corporation

10B A retailer must promptly report the occurrence of any of the following to the Lottery Corporation:

- (a) a suspected defect, suspected abuse, suspected illegality or suspected criminal activity in relation to a lottery scheme;
- (b) a suspected malfunction or damage to lottery equipment.

Retailer winning over \$1000

10C When claiming a prize greater than \$1000 as a result of participating in a lottery scheme as a player, a retailer must inform the entity paying out a prize that they are a retailer.

Auditing

11 The Lottery Corporation must, when requested to do so by the Auditor General, produce such books, documents, or financial statements as are necessary to satisfy

the Auditor General that the Lottery Corporation is complying with the provisions of these regulations.

12 (1) The Lottery Corporation may acquire tickets from the Inter-Provincial Lottery Corporation for sale in the Province by the Lottery Corporation.

(2) Section 8 does not apply to the sale in the Province of tickets acquired pursuant to subsection (1).

13 The rights, obligations and liabilities of the former Nova Scotia Lottery Commission contained in

(a) an agreement dated August 27, 1976 and approved by Order in Council 76-1006 dated August 31, 1976 as amended, between the former Nova Scotia Lottery Commission and the Lotteries Commission of New Brunswick, the Government of the Province of Newfoundland and the Prince Edward Island Lotteries Commission, as amended from time to time, regarding the Atlantic Lottery Corporation; and

(b) an agreement dated August 27, 1976 and approved by Order in Council 76-1006 dated August 31, 1976 as amended, between the Government of the Province of Nova Scotia and the Government of New Brunswick, the Government of the Province of Newfoundland, and the Government of the Province of Prince Edward Island, as amended from time to time, regarding undertaking, conducting and managing lottery schemes in Nova Scotia and the other named provinces, are rights, obligations and liabilities of the Corporation or Commission, as the context, the Act and regulations require.

14 (1) The Minister of Finance may, with the approval of the Governor in Council, establish special trust funds pursuant to clause 2(n) of the Provincial Finance Act and authorize the Corporation to pay the following from the revenue it receives:

(a) to Sport Nova Scotia, \$100 000 annually; and

(b) to the Cultural Federation of Nova Scotia and the Exhibition Association of Nova Scotia, \$50 000 each annually.

(2) The Minister of Finance may, with the approval of the Governor in Council, in the orders referred to in subsection (1),

(a) establish the terms and conditions of the payments to be made out of the special trust funds in accordance with subsection (1), including the timing of payments and income earned on the special trust funds;

(b) approve of the Corporation entering into agreements with persons, groups or organizations who request money from the special trust funds; and

(c) alter the amounts to be paid out of the special trust funds referred to in clauses (1)(a) and (b).

Lottery equipment supplier as class of suppliers for registration

15 “Lottery equipment supplier” is established as a class of suppliers for the purposes of registration as a registered supplier under the Act

Actions limited to registered lottery equipment suppliers

16 Only the following may carry out any of the actions described in the definition of “lottery equipment supplier” in clause 2(f):

(a) the Lottery Corporation;

(b) the Corporation;

(c) the Interprovincial Lottery Corporation;

(d) a registered lottery equipment supplier.

Designated goods and services

17 For purposes of Part II of the Act, the goods and services described in the definition of “lottery equipment supplier” are designated goods and services, except when performed by one of the following:

(a) the Lottery Corporation;

(b) the Corporation;

(c) the Interprovincial Lottery Corporation.

Lottery equipment supplier registration or renewal

18 (1) An application for registration or renewal of registration as a lottery equipment supplier must be in a form provided by the Director of Registration and must be accompanied by a fee of \$250.

(2) A registration granted or renewed under this Section expires 2 years from the date set out on the certificate of registration.

Lottery equipment

19 (1) The Executive Director may establish technical standards for categories of lottery equipment.

(2) A registered lottery equipment supplier must not sell or lease lottery equipment unless

(a) the equipment meets the applicable technical standard for the equipment; or

(b) if no applicable technical standard has been established for the equipment, the equipment is approved by the Executive Director for use in a lottery scheme.

(3) The Lottery Corporation must not use lottery equipment in a lottery scheme unless

(a) the equipment meets the applicable technical standard for the equipment; or

(b) if no applicable technical standard has been established for the equipment, the equipment is approved by the Executive Director for use in a lottery scheme.

Notification when selling or leasing lottery equipment

20 (1) A registered lottery equipment supplier must notify the Executive Director at least 2 weeks before they sell or lease a piece of lottery equipment that falls into a category for which an applicable technical standard is established under Section 19.

(2) A notification under subsection (1) must include all of the following information:

(a) the date the registered lottery equipment supplier intends to sell or lease the equipment;

(b) the technical standard that applies to the equipment;

(c) a description of the equipment's features.

(3) On receiving notification under subsection (1), the Executive Director may request that the registered lottery equipment supplier provide information on any testing conducted on the equipment by the supplier or on the supplier's behalf to ensure that the equipment meets the applicable standard.

Approval of lottery equipment

21 (1) The Executive Director may approve lottery equipment for use in a lottery scheme.

(2) An application from a registered lottery equipment supplier for approval of lottery equipment must be in the form required by the Executive Director.

(3) The Executive Director may make any inquiries or investigations that the Executive Director considers appropriate in assessing the lottery equipment and may require that the reasonable costs of the inquiry or investigation be paid by the supplier.

(4) The Executive Director may impose conditions on an approval of lottery equipment.

(5) A registered equipment supplier must sell or lease lottery equipment only in accordance with the conditions imposed on an approval for the equipment and the Lottery Corporation must use lottery equipment only in accordance with conditions imposed on an approval for the equipment.

(6) All lottery equipment that has been sold or leased to the Lottery Corporation on or before the date this Section comes into force is deemed to be approved by the Executive Director.

Supplier to notify Executive Director of problem with lottery equipment

22 A registered lottery equipment supplier who becomes aware of any problem with the integrity, security or accounting capability of any lottery equipment provided by the supplier must immediately notify the Executive Director and the Lottery Corporation.

Alterations to lottery equipment

23 The Lottery Corporation must notify the Executive Director no later than 30 days after making any alteration to lottery equipment used in a lottery scheme.

Lottery scheme standards

24 (1) The Executive Director may establish standards for categories of lottery schemes, including standards respecting any of the following:

(a) the design of a lottery scheme;

(b) manufacturing, supplying, delivering, installing and maintaining things used in a lottery scheme;

(c) measures that must be taken to ensure that a lottery scheme is fair, honest, secure, safe and capable of being audited, including the manner and form for reporting on those measures to the Executive Director.

(2) The Lottery Corporation must not operate a lottery scheme unless

(a) the lottery scheme meets the applicable standard for the category of lottery scheme; or

(b) if no applicable standard has been established for the lottery scheme, the lottery scheme is approved by the Executive Director.

Notifying Executive Director of lottery scheme being introduced

25 (1) The Lottery Corporation must notify the Executive Director at least 2 weeks before offering a lottery scheme for sale to the public that falls into a category for which an applicable technical standard has been established under Section 24.

(2) A notification under subsection (1) must include all of the following information:

(a) the date the lottery scheme is to be introduced for sale to the public;

(b) the standard that applies to the lottery scheme;

(c) a description of the lottery scheme that includes the rules of play and the proposed reward and odds.

(3) On receiving notification under subsection (1), the Executive Director may request that the Lottery Corporation provide any of the following:

(a) information on any testing conducted on the lottery scheme by the Lottery Corporation or on the Lottery Corporation's behalf to ensure that the lottery scheme meets the applicable standard;

(b) specifications of the physical components of the lottery scheme, including representative physical components.

Approval of lottery scheme

26 (1) Before introducing a lottery scheme for sale to the public that falls into a category for which no applicable standard has been established, the Lottery Corporation must apply to the Executive Director for approval of the lottery scheme.

(2) The Executive Director may make any inquiries or investigations that the Executive Director considers appropriate in assessing a lottery scheme and may require that the reasonable costs of the inquiry or investigation be paid by the Lottery Corporation.

(3) The Executive Director may impose conditions on an approval of a lottery scheme and the Lottery Corporation must operate the lottery scheme in accordance with any conditions imposed.

(4) All lottery schemes operated by the Lottery Corporation on the date this Section comes into force are deemed to be approved by the Executive Director.

Notifying Executive Director when removing lottery scheme from sale

27 The Lottery Corporation must immediately notify the Executive Director in writing when it removes a lottery scheme from sale to the public.

Internal control system for integrity of lottery schemes

28 (1) The Lottery Corporation must implement an internal control system that is designed to ensure the integrity of lottery schemes and protect players and the public.

(2) An internal control system must provide reasonable assurance of all of the following:

- (a) that financial records and reporting will be accurate, reliable and prepared on a timely basis;
- (b) that the potential for error and fraud is minimized;
- (c) that tickets will be safeguarded;
- (d) that adequate inquiries are made into the character of retailers and prospective retailers;
- (e) that adequate inquiries are made into the character of prospective employees of the Lottery Corporation;
- (f) that the functions, duties and responsibilities of employees of the Lottery Corporation are appropriately segregated to minimize opportunities for collusion between employees.

(3) The Lottery Corporation must ensure that its operations are conducted in accordance with the internal control system.

(4) If required by the Executive Director, the Lottery Corporation must have its internal control system reviewed by an independent licensed public accountant at its own expense to ensure that its internal controls comply with the requirements of this Section.

(5) If a review is required under subsection (4), the Lottery Corporation must submit the accountant's report to the Executive Director within the time period specified by the Executive Director.

(6) The Executive Director may require the Lottery Corporation to make changes to the internal control system at any time.

(7) The Lottery Corporation must implement all changes to the internal control system required by the Executive Director within the time period specified by the Executive Director.

Lottery Corporation reporting to Executive Director

29 (1) When requested by the Executive Director, the Lottery Corporation must provide the Executive Director with a list of all retailers and their operating locations.

(2) The Lottery Corporation must promptly report all of the following to the Corporation and the Executive Director:

(a) any defect, abuse, illegality or criminal activity in relation to a lottery scheme;

(b) a win of a prize over \$1000 by a retailer or employee of a retailer.