

# **DISTRIBUTION OF INCOME FROM LOTTERIES AND SPORTS BETTING IN EUROPE FOR SOCIAL PROJECTS**

LEGAL BUSINESS MONITOR



# Introduction

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## PURPOSE OF THE STUDY

Funding for good causes is the main difference between government lotteries and commercial gaming operations.

Each year, EU and UK lotteries allocate billions of euros to support projects and programs that would otherwise be underfunded. Without lottery funding, most of these projects simply would not exist.

Lottery business models vary from country to country, but government lottery operators in each country are required by law to return funds to support good public causes. Each jurisdiction sets its own priorities and applies its own model for distributing lottery profits to a wide range of beneficiaries.

Let's consider examples of the distribution of income from lotteries in various European countries and compare them with the practice of the Republic of Moldova.



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# Content



The background of the slide features a close-up, slightly blurred image of several Euro banknotes. Visible denominations include 50, 100, 150, 200, and 500 Euros. The notes are in various shades of green, yellow, and blue, with the European Union flag and architectural details visible. The text 'Social contributions in Europe' is overlaid on the left side of the image in a large, white, sans-serif font.

# Social contributions in Europe

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## GENERAL DATA - 2021

In 2021, the contribution of members of The European Lotteries to social spheres amounted to **20 billion euros**. This is 13% more than in 2020 and 10% more than in 2019. This means that 55.6% of the gross income generated by EL members (not including sponsorship) has returned to society in their respective countries.

NOTE: The European Lotteries is the largest association of state lotteries and sports betting in more than 40 European countries. Includes about 50 members in all EU Member States and a total of over 70 members.

\*The European Lotteries

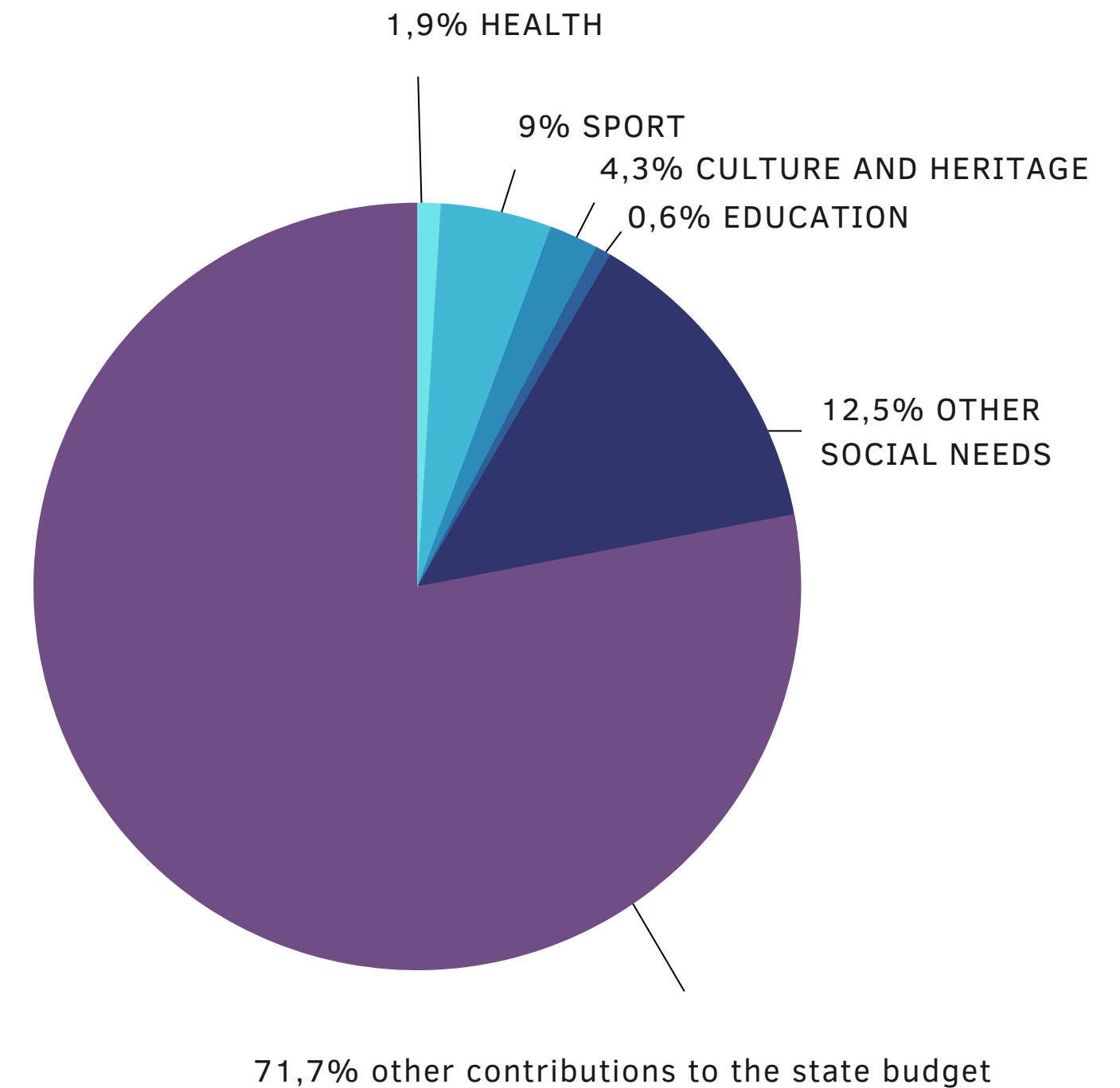


# EUROPE

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## DEDUCTIONS FOR PUBLIC NEEDS OF MEMBERS OF THE "EUROPEAN LOTTERIES" - 2021

**TOTAK**  
€20 BILLION

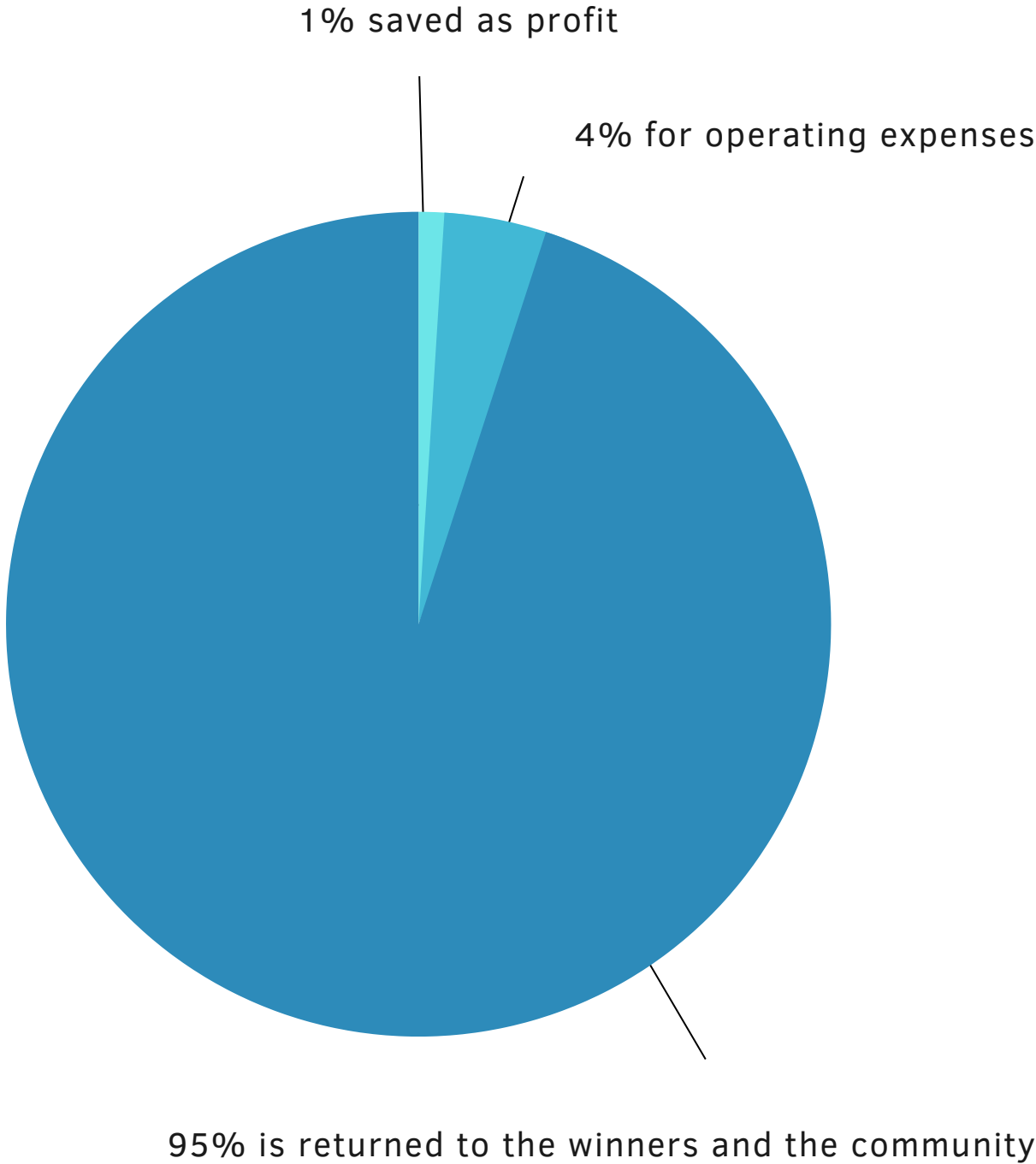


\*The European Lotteries

# UNITED KINGDOM

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## NATIONAL LOTTERY INCOME DISTRIBUTION:



\*UK National Lottery.

# UNITED KINGDOM

The decision on how and where to invest is made by 12 specialized organizations. They are selected by Parliament for their knowledge and experience to ensure that the money goes exactly where it is needed.



Distribution of funds for the benefit of society during the financial year - data as of March 31, 2022





## YEAR IN NUMBERS

UK National Lottery

£1 911,8 mln

£4 612,3 mln

£970,9 mln

£265,4 mln

collected for projects  
National Lottery

paid out to players as  
winnings

handed over to the  
government as  
mandatory payments

retailers earn on  
commission



# France

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## THE IMPORTANCE OF THE LOTTERY IN FRANCE

Française des Jeux - ranks 2nd among lotteries in Europe and 4th in the world. For 40 years, she has invested 6 billion euros in the budget of the National Sports Agency.

Supports 300 associations since 2018, 200,000 beneficiaries.

FDJ is the official partner of the Paris 2024 Olympic and Paralympic Games.

\*Française des Jeux

## 2021 IN NUMBERS

Française des Jeux

> 25 mln

€13 billion

€4.1 billion

€3.8 billion

number of lottery players

paid out to players as  
winnings

total contribution to the  
budget

directed to public  
projects





# DENMARK

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## INCOME DISTRIBUTION OF THE DANISH NATIONAL LOTTERY:

Under the Payback Percentage Ordinance, at least 45 percent of the money generated from ticket sales for games such as Saturday Lotto, Viking Lotto, Eurojackpot and Joker must be used to pay out winnings. For Keno it's 55%, for Alteller Intet it's 61%, and for Tips 13 it's 75%.

The lottery also has to cover its operating expenses and pay commissions to the retailers who sell tickets, but all profits go to a special fund and then are distributed back to the community. The profits of the lottery, known as the Udlodningsmidler, are divided among six ministries.

\*Denmark National Lottery

# Denmark

Distribution of lottery profits between ministries:







# DENMARK

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## SPORTS FINANCING

Recently, more than 1 billion crowns (>90 million euros) are distributed through these ministries annually. Any project, large or small, can receive funding, but it must be a non-profit organization that meets the requirements of the relevant ministry.

About a third of the money - just over 30 percent of Udlodningsmidler - goes to two major sports federations: Danmarks Idrætsforbund (DIF) and Danske Gymnastik- & Idrætsforeninger (DGI).

DIF is the National Olympic Committee and Sports Confederation, while DGI is the Association of Sports and Gymnastics Clubs. The money mainly goes to support volunteers working in the country's sports organizations.

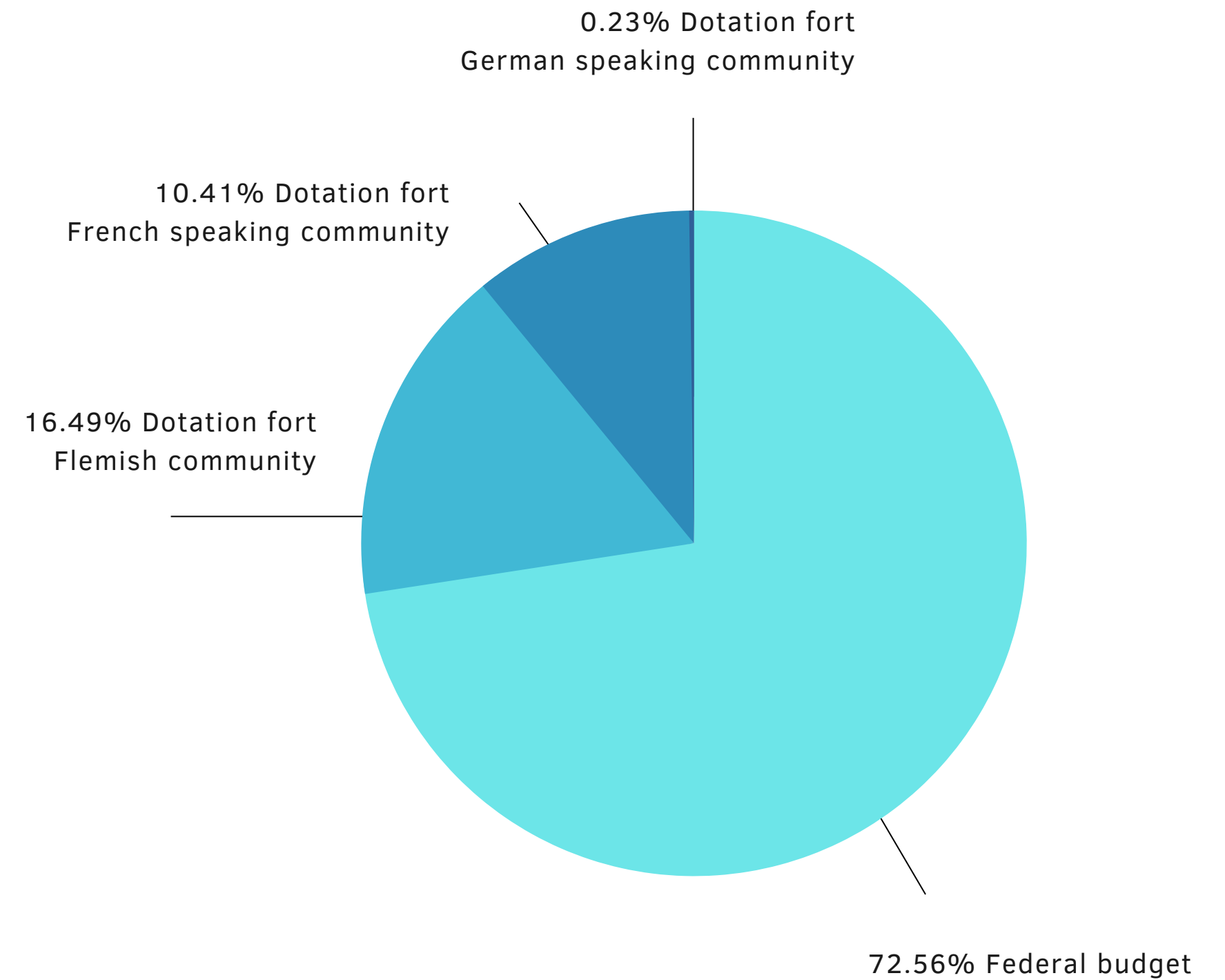
Sports funding is given so much attention because it can foster a sense of community and purpose, and success on the international stage helps build enthusiasm and bring people together.

[\\*Denmark National Lottery](#)



# BELGIUM

## DISTRIBUTION OF BUDGET REVENUES FROM THE NATIONAL LOTTERY:



\*Belgium National Lottery.



# BELGIUM

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## **DISTRIBUTION OF BUDGET REVENUES FROM THE NATIONAL LOTTERY:**

Thanks to the Belgian players, 345 million euros can be invested every year in organizations and projects that benefit many people and thus lay the foundations for the development of society.

The National Lottery can support culture, sports, scientific research, sustainable development, poverty alleviation, development cooperation, solidarity actions and other projects.

The National Lottery provides significant support to a number of football clubs. As a sponsor of clubs Brugge, Royal Sports Club Charleroi, Royal Union Saint-Gilloise and Royal Sports Club Anderlecht, the Lottery has taken an important place in the Belgian football landscape. Since 2019, Royal Sporting d'Anderlecht's home matches have been played at Lotto Park through a partnership with the club.

[\\*Belgium National Lottery](#)





# Romania

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## **DISTRIBUTION OF INCOME FROM GAMBLING**

Romanian legislation provides for rules that oblige to direct part of the income received from the organization and conduct of gambling directly to projects and initiatives in the field of sports and culture.



# Romania

## DISTRIBUTION OF INCOME FROM GAMBLING

SPORT

CULTURE

1,2%

3%

2%

0,5%

from fees for obtaining a license to organize gambling, authorization to use gambling and any other fees from this field are sent to the Olympic and Sports Committee of Romania (1%) and the National Paralympic Committee (0.2%)

from state budget revenues from activities in the field of gambling are sent to the Ministry of Culture to finance the restoration, conservation and strengthening of historical monuments.

from the fees of the National Lottery of Romania are sent to the National Fund of Culture

from the income of economic operators in the field of gambling are sent to the National Fund of Culture



# Austria

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## THE IMPORTANCE OF AUSTRIAN LOTTERIES IN THE DEVELOPMENT OF SPORTS:

In the context of sports financing, as enshrined in the Austrian Gambling Act, Austrian lotteries make a significant contribution to the development of sports in Austria. The amount of money designated to fund certain sports is also defined in the Gambling Law.

Beneficiaries include ASKÖ, ASVÖ, UNION, the Austrian Football Association, the Austrian Olympic Committee, as well as numerous professional associations ranging from American football to water polo.

Article 20 of the Austrian Gambling Act defines a figure of at least 80 million euros for sports funding each year. This amount is increased annually in line with the federal revenues of the Austrian gaming-related lotteries.

Thus, since 1986, the sport has received more than 1.8 billion euros. In addition, the Austrian Lottery sponsors individual projects in the field of culture, education and science.

[\\*Austrian lotteries](#)

## KEY NUMBERS 2021

Austrian lotteries

€900.5 million

€551,44 million

€82,04 million

€4.124.46 million

Gross Gaming Revenue

Tax payments

Sports financing

Payout of winnings



# NETHERLANDS

## KEY NUMBERS 2021

DUTCH LOTTERIES

>€2.9 billion

Dutch Lottery turnover

>€2.4 billion

prize pool (including  
gambling tax)

€118,4 billion

State of the Netherlands

€50,4 million

77 sports federations

€19,2 million

18 charities



# BULGARIA

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### DISTRIBUTION OF INCOME

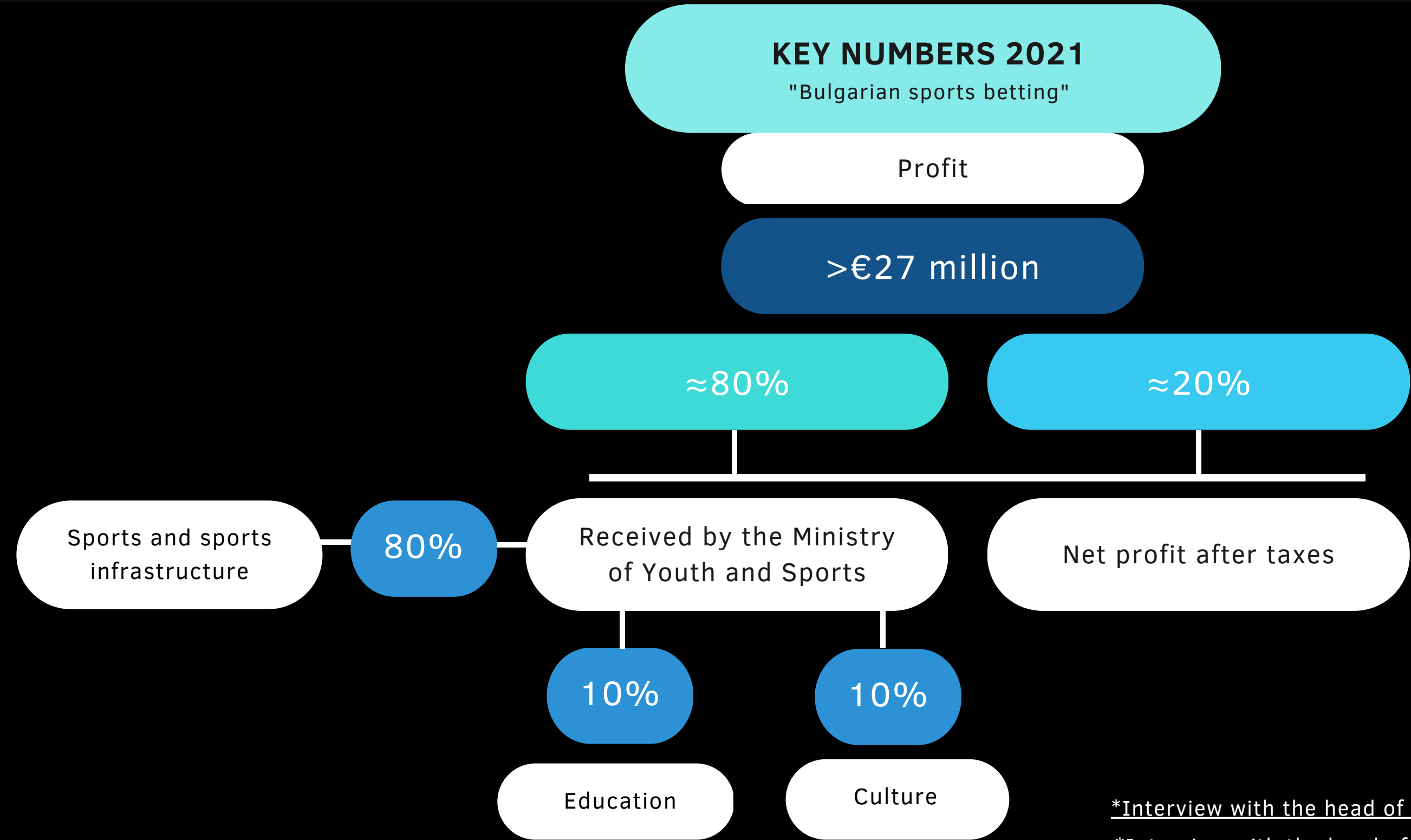
According to the law, the use of income from the activities of the state enterprise "Bulgarian sports betting" after taxation and the deduction of expenses and paid profits is approved by the Minister of Physical Education and Sports in agreement with the Minister of Finance. At least a quarter of these funds are directed to "sports for all", as provided for by the Law on Physical Culture and Sports.

The money is also used to maintain, repair, refurbish, overhaul or create new sports facilities and/or sports facilities in state and community schools.

The distribution of funds is approved in accordance with the annual program proposed by the Ministry of Education, Youth and Science and after consultation with the Minister of Physical Education.

[\\*Article 14, Bulgarian Gambling Law](#)

# Bulgaria



\*Interview with the head of the BST Lyubovmir Petrov, NovSport.com

\*Interview with the head of the BST Lubomir Petrov, Dir.bg





# Republic of Moldova

## IMPERFECTION OF LEGISLATION

The current laws of Moldova in the field of gambling or sports theoretically provide for funding from the National Lottery, but the laws do not have a mechanism for distributing income from this activity to specific social areas, and the wording is contradictory.

For example, Art. 30 of the current Law on Physical Culture and Sports says that the financing of physical culture, sports, the construction of sports infrastructure is carried out, among other things, from funds received from sports lotteries. However, what is meant by "sports lotteries" and whether sports bets can be considered them, the law does not stipulate.

The same article stipulates that the sources of funding for the National Olympic and Sports Committee are, among other things, income from the National Lottery of Moldova, determined by a special law.

But the corresponding special law was not adopted.

\* LAW No. 330 dated March 25, 1999 on physical culture and sports



# Republic of Moldova

## SPONSORSHIP BAN

Possible funding from the income of the National Lottery of Moldova is not provided for in the field of culture either. Article 20 of the Law on Culture only states that "funding of culture is carried out from the state budget and from local budgets, including through the collected revenues".

Moreover, as of 2021, amendments to the Gambling Law came into force, which effectively prohibited sponsorship or charitable activities from this area (see art. 53).

"Enterprises engaged in the organization or conduct of gambling, betting on sports competitions / events and other types of activities in the field of gambling are prohibited from organizing or participating in sponsorship or charitable activities, as a result of which the name of the economic entity engaged in organizing or gambling, betting on sports/events and other activities in the field of gambling, or other information about its connection with this event is made public.

\* LAW No. 413 on culture dated May 27, 1999

\* LAW No. 291 dated 16-12-2016 on the organization  
and gambling from 27-05-1999



# Republic of Moldova

## KEY NUMBERS 2021

National Lottery of Moldova

105 million lei

net income of the  
National Lottery of  
Moldova

52.52 million lei

to the state budget in  
the form of dividends

## TAXES

15 million lei

income tax to the state  
budget

64.5 million lei

other taxes to the state  
budget





# Conclusions

## POTENTIAL FOR MOLDOVA

Financing sports, culture, education, social projects at the expense of the income of the National Lottery is widely practiced in the world and in the EU countries in particular. The mechanisms are enshrined in laws and provide for a clear formula. And the transparency of the distribution of such income shows that citizens' spending on gambling with low social risk is returned to society. For example, in Bulgaria in 2021, about 80% of the income of the Bulgarian Sports Tote was received by the Ministry of Youth and Sports and directed mainly to sports, sports infrastructure, as well as education and culture.

In Moldova, despite the imperfection of laws, a complete ban on gambling advertising and the absence of mechanisms for blocking transactions to the accounts of illegal gambling operators, the state-owned enterprise National Lottery of Moldova shows an unprecedented growth in revenue dynamics. Moreover, by toughening the fight against illegal immigrants, the Moldovan authorities can significantly increase the income of the National Lottery of Moldova by completely removing this area from the shadows.

So the money is there. There may be even more of them. But in order to use them for sports, culture, education and other social needs, it is necessary to enshrine this at the legislative level, approving a clear mechanism.