

**ADMINISTRATION OF THE BELIZE GOVERNMENT LOTTERIES  
SERVICE PROVIDER  
TERMS OF REFERENCE**

**I. Background:**

The Lotteries programme is administered under the Lotteries Control Act<sup>1</sup> and associated regulations. The Ministry of Investment, Trade & Commerce is responsible for the lotteries portfolio. In 2010, the Government of Belize tendered the license for the operation and management of the Belize Government Lottery. The winning company was awarded an exclusive license for the period 1 April 2010 to 31 March 2020 to administer the following Government Lotteries games:

1. Boledo – The lottery in which the winning number comprises two digits and is drawn in accordance with the provisions of sub-regulation (2) of Regulation 3 of the Lotteries Control Regulation;
2. Jackpot Lottery – The lottery in which the winning number comprises four digits and is drawn in accordance with the provisions of sub-regulation (2) of Regulation 3 of the Lotteries Control Regulation; and
3. Ordinary Lottery – The lottery in which the winning number comprises the last two digits of the winning number of the Jackpot Lottery.

The Government of Belize saw the need and urgency to increase the efficiency in the administration of the Government Lotteries. The main objectives in outsourcing the administration of the Government Lotteries included the reduction of the illegal sales, and increased Government revenue collected from the above-mentioned lotteries. Administration of the Government Lotteries had suffered from unregulated sale of lotteries due to the antiquated system being used. The Government of Belize acknowledged that the operation of the Lotteries needed to be electronic and the lottery draw equipment needed to be updated, requiring considerable investment and a full dedicated staff and organization that would administer the Government Lotteries.

Below is a list of benefits that have been generated since the outsourcing of the administration of the Belize Government Lotteries.

1. The Government Lottery sales has been made partially electronic within the licensing period.
2. There has been an expansion in the use of agents, with over 200 agents countrywide.
3. A lottery expert is sourced annually to audit and maintain the equipment with cost being borne by the administrator of the Government Lotteries.

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<sup>1</sup> Chapter 151 of the Laws of Belize (revised 2000)

4. All costs for personnel, equipment, tickets, spare parts and other material for the operation of the Government Lotteries is paid by the administrator.
5. There has been a reduction of illegal Government Lottery sales.
6. Lottery sales have increased.
7. There has been an increase in government revenue through the collection of license fees and business tax.

## **II. Objective**

The successful tender shall administer exclusively the distribution, sale and marketing of (only Boledo, Sunday Lottery and Jackpot) lottery tickets of the Belize Government Lottery. The service provider administering the Government Lotteries shall start operating no later than 1 April 2020.

## **III. Scope and activities**

### **1. *Administer the Belize Government Lotteries.***

- 1.1 Issue (only Boledo, Sunday Lottery and Jackpot) Lottery tickets
- 1.2 Establish distribution and sales outlets of (only Boledo, Sunday Lottery and Jackpot) lottery tickets.
- 1.3 Invest in capital items, goods and services for the administration of the lotteries.
- 1.4 Guarantee the payment of lottery winnings.
- 1.5 Contract a certified accounting firm with the no-objection of the lotteries committee to audit the service provider's financials annually.
- 1.6 Cover all expenses incurred by the Accountant General to oversee lottery draws.
- 1.7 Provide training for personnel to ensure quality of service and compliance.
- 1.8 Upkeep lottery equipment to minimize risks of equipment failure.
- 1.9 The Licensee shall submit a list of proposed internationally accredited certification bodies along with bio pages to the Lotteries Committee for review. The Lotteries Committee will issue a "no objection" for the certification body to be contracted to conduct the audits. This is to be done on an annual basis, 60 days prior to the anniversary of the contract.
- 1.10 The Licensee shall contract the approved accredited certification body to conduct audits of the lottery process, equipment and systems; reports are to be submitted to the lotteries committee 30 days prior to the anniversary of contract.
- 1.11 The Licensee shall receive certification of the lottery process, equipment and systems from the approved accredited certification body based on audits conducted on an annual basis.
- 1.12 If the Licensee fails to receive certification based on failure of audits of the lottery process, equipment and systems, the licensee is responsible to immediately address any failure to receive full certification.
- 1.13 All shareholders must be "fit and proper" individuals.

2. Increase Government revenue from the sale of lottery tickets.
  - 2.1 Payment of the Annual License Fee sum of BZ \$2,500,000.
  - 2.2 Tenders should propose a profit-sharing scheme for a ten year period.
  - 2.3 In consultation with relevant line Ministries, establish a system in tandem with the Income Tax Department for gathering sales data per agent to assist in the efficient collection of business tax.
  - 2.4 Report and pursue legal action against persons selling illegal lottery.
  
3. Increase the sale of lottery tickets
  - 3.1 Implement the marketing strategy as outlined in the proposal to improve sales.
  - 3.2 Make yearly adjustments to the marketing plan (if necessary).
  - 3.3 Make adjustments to the lottery ticket price
  - 3.4 Make public via radio, television, livestream live lottery drawings
  - 3.5 Accommodate all feasible request to establish additional outlets for the sale of lottery electronic sales of the Government Lotteries.
  
4. Phase in new technologies to make the sale of lottery tickets electronic
  - 4.1 Utilize up-to-date technology to distribute lottery
  - 4.2 Identify and implement up-to-date technology, including software and hardware, to manage the Government Lotteries
  - 4.3 Ensure the technology and system used will allow access to GOB and improve the efficiency in gathering sales data per agent to assist in the collection of business tax.
  - 4.4 Implement a public education campaign for any new technology, procedures, policies etc. that may pertain to the operation of the Government Lotteries.

#### **IV. Outputs**

1. Administer exclusively the distribution, sale and marketing of lottery:
2. Increase Government Revenue from lotteries
3. Improve the system for gathering sales data per agent to assist the efficient collection of business tax
4. Increase lottery sales
5. Minimize the sale of illegal lottery

#### **V. Terms of Service**

The Government expects the service to be provided for a period of 10 years subject to the conditions of the license. The Service Provider will work under supervision of the Lotteries Committee as according to its license.

The Service Provider will present the lotteries committee with a work plan prior to the signing of the contract.

The Service Provider will submit a bond for \$2,000,000.00 signed by two sureties to guarantee winnings of customers. The Service Provider will furnish the Lotteries Committee with quarterly report and audited financials. The bond is to be renewed annually.