



# Horserace Betting and Olympic Lottery Act 2004

## 2004 CHAPTER 25

### PART 3

#### NATIONAL LOTTERY: OLYMPIC LOTTERIES

##### *Olympic Lotteries*

#### **21 Licensing of Olympic Lotteries**

- (1) A licence under section 6 of the National Lottery etc. Act 1993 (c. 39) (licence authorising a body to promote lotteries as part of the National Lottery) may designate a lottery to which the licence relates as an Olympic Lottery.
- (2) A licence under section 5 of that Act (licence to run the National Lottery) must include provision—
  - (a) for determining in respect of any period the proportion of proceeds of lotteries forming part of the National Lottery that is attributable to Olympic Lotteries, or
  - (b) enabling the National Lottery Commission to determine that proportion in respect of any period.
- (3) A designation under subsection (1) may be made only while provision under subsection (2) has effect.
- (4) In respect of a licence under section 5 of that Act that has effect when this section comes into force—
  - (a) the Commission shall, after consulting the licensee, vary the licence so as to introduce provision of a kind specified in subsection (2)(a) or (b) above, and
  - (b) the variation shall take effect at such time as the Commission shall specify (whether or not the licensee consents).

## 22 Timing

- (1) This section applies to a licence under section 6 of the National Lottery etc. Act 1993 (c. 39) which designates a lottery to which the licence relates as an Olympic Lottery.
- (2) A licence to which this section applies must include a condition prohibiting the promotion of an Olympic Lottery unless the Secretary of State has by order declared that the International Olympic Committee has elected London as the host city for the 2012 Olympic Games.
- (3) Subsection (4) applies if the Secretary of State by order declares—
  - (a) that the International Olympic Committee has elected a city other than London as the host city for the 2012 Olympic Games, or
  - (b) that the election of London by the International Olympic Committee as the host city for the 2012 Olympic Games has been revoked.
- (4) Where this subsection applies—
  - (a) a licence to which this section applies shall cease to have effect in so far as it relates to an Olympic Lottery on such date as may be specified in the order under subsection (3), and
  - (b) the National Lottery Commission may not grant a licence to which this section applies.
- (5) If the Secretary of State by order specifies a date as the termination date for the purposes of this section—
  - (a) any licence to which this section applies that has effect immediately before the termination date shall cease to have effect on that date in so far as it relates to an Olympic Lottery, and
  - (b) the National Lottery Commission may not grant a licence to which this section applies in respect of a period of time falling wholly or partly on or after the termination date.

### *Olympic Lottery Distribution Fund*

## 23 The Fund

There shall be a fund maintained under the control and management of the Secretary of State and known as the Olympic Lottery Distribution Fund.

## 24 Payments into Fund from lottery proceeds

- (1) Where a sum is required by virtue of section 5(6) of the National Lottery etc. Act 1993 (c. 39) (as substituted by section 34 of this Act) to be paid into the National Lottery Distribution Fund out of proceeds of lotteries in respect of a period, such proportion of that sum as is determined in accordance with section 21(2) or (4) of this Act to be attributable to Olympic Lotteries shall be paid instead into the Olympic Lottery Distribution Fund.
- (2) Section 9(3) of that Act (as substituted by section 34 of this Act) shall have effect in relation to the Olympic Lottery Distribution Fund and sums due to be paid into it as it has effect in relation to the National Lottery Distribution Fund and sums due to be paid into it.

## **25 Payments into Fund from National Lottery Distribution Fund**

- (1) The Secretary of State may make an order permitting the Secretary of State to make payments from the National Lottery Distribution Fund into the Olympic Lottery Distribution Fund.
- (2) A payment by virtue of an order under subsection (1) shall be treated as if paid out of money allocated for such of the purposes listed in section 22(3) of the National Lottery etc. Act 1993 (apportionment of money in Distribution Fund) as the order shall specify.
- (3) Before making an order under subsection (1) the Secretary of State shall consult each of the bodies for the time being mentioned in section 23 of that Act.

## **26 Payments out of Fund**

- (1) The Secretary of State may pay sums from the Olympic Lottery Distribution Fund to the Olympic Lottery Distributor.
- (2) The Secretary of State may make regulations permitting payments from the Olympic Lottery Distribution Fund—
  - (a) in respect of expenses of the Secretary of State in connection with functions under this Part;
  - (b) in respect of expenses incurred or to be incurred by the National Debt Commissioners in making investments under section 27;
  - (c) into the National Lottery Distribution Fund;
  - (d) to the Greater London Authority;
  - (e) to the National Olympic Committee;
  - (f) into the Consolidated Fund for the purpose of meeting payments made or to be made under paragraph 10 of Schedule 2A to the National Lottery etc. Act 1993 (expenses of National Lottery Commission).
- (3) Regulations by virtue of subsection (2)(a) and (b) shall permit payment only with the consent of the Treasury.
- (4) Regulations by virtue of subsection (2)(c) shall in respect of each payment specify, or enable the Secretary of State to specify, whether it is to be—
  - (a) treated as having been paid into the National Lottery Distribution Fund by virtue of section 5(6) of the National Lottery etc. Act 1993 (c. 39) (general payments into fund), or
  - (b) allocated entirely for expenditure on or connected with sport and held in accordance with section 23(2) of that Act (distributing bodies for sports).
- (5) Regulations by virtue of subsection (2)(c) may, in respect of a payment allocated in accordance with subsection (4)(b) provide, or enable the Secretary of State to provide, for section 23(2) of that Act to apply with specified modifications (which may, in particular, include modifications reducing a distributor's share to nil).
- (6) Money paid to the Greater London Authority by virtue of subsection (2)(d) may be used by the Authority for any purpose for which it is authorised to incur expenditure.

## **27 Investment**

- (1) Money in the Olympic Lottery Distribution Fund may be paid to the National Debt Commissioners and invested by them.

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- (2) Proceeds of an investment under this section—
  - (a) may be re-invested by the National Debt Commissioners, and
  - (b) unless re-invested, shall be paid into the Olympic Lottery Distribution Fund.
- (3) In exercising a function under this section the National Debt Commissioners shall comply with any direction of the Treasury.

## **28 Winding up**

- (1) The Secretary of State may by order make provision for the winding up of the Olympic Lottery Distribution Fund.
- (2) An order under this section shall provide, in particular, for any money in or due to the Olympic Lottery Distribution Fund to be paid into the National Lottery Distribution Fund.
- (3) An order under this section shall in respect of any payment specify, or enable the Secretary of State to specify, whether it is to be—
  - (a) treated as having been paid into the National Lottery Distribution Fund by virtue of section 5(6) of the National Lottery etc. Act 1993 (general payments into fund), or
  - (b) allocated entirely for expenditure on or connected with sport and held in accordance with section 23(2) of that Act (distributing bodies for sports).
- (4) Provision by virtue of subsection (3)(b) may provide for section 23(2) of that Act to apply with specified modifications (which may, in particular, include modifications reducing a distributor's share to nil).

### *Olympic Lottery Distributor*

## **29 The Olympic Lottery Distributor**

- (1) There shall be a body corporate known as the Olympic Lottery Distributor.
- (2) Schedule 5 (which makes provision in relation to the Distributor) shall have effect.

## **30 Distribution**

- (1) The Olympic Lottery Distributor shall distribute money received, whether under section 26 or otherwise, by way of grant or loan (subject to Part 3 of Schedule 5).
- (2) The Distributor may make a grant or loan only if it considers it necessary or expedient for the purpose of or in connection with—
  - (a) the provision of facilities which are necessary or expedient if London is to be the host city of the 2012 Olympic games, or
  - (b) any other service or function which it is necessary or expedient to provide or undertake if London is to be the host city of the 2012 Olympic Games.
- (3) In exercising its functions under this section the Distributor shall have regard to—
  - (a) the Olympic Charter, and

- (b) any agreement entered into by or on behalf of the International Olympic Committee in the course of or in connection with the election of London as the host city for the 2012 Olympic Games.
- (4) A grant or loan may, in particular, fund expenditure related to the provision of—
  - (a) facilities outside London;
  - (b) cultural and other events held in accordance with a provision of the Olympic Charter or in accordance with an agreement entered into by or on behalf of the International Olympic Committee.
- (5) A grant or loan may be subject to conditions which may, in particular, include conditions—
  - (a) as to repayment (with or without interest);
  - (b) providing for payments to be made only with the consent of a specified person.
- (6) The Secretary of State may by regulations provide that a specified class of expenditure is to be treated as—
  - (a) satisfying the requirements of subsection (2), or
  - (b) not satisfying those requirements.

### **31 Distribution policy**

- (1) The Olympic Lottery Distributor shall comply with any requirement of the Secretary of State to—
  - (a) prepare a policy for the distribution of money under section 30, or
  - (b) review and revise the policy.
- (2) A policy must, in particular—
  - (a) estimate the Distributor's annual income,
  - (b) specify the sources of the income estimated,
  - (c) specify matters in respect of which the Distributor thinks that it will or may make grants or loans, and
  - (d) estimate, where possible, the amount of grants or loans that the Distributor will or may make.
- (3) A requirement under subsection (1) may include provision (which may supplement or amplify subsection (2)) about—
  - (a) the form of the policy;
  - (b) the content of the policy.
- (4) Before preparing or revising a policy the Distributor—
  - (a) shall submit a draft of the policy or revision to the Secretary of State, and
  - (b) shall consult—
    - (i) the National Lottery Commission,
    - (ii) the Mayor of London,
    - (iii) the National Olympic Committee, and
    - (iv) the British Paralympic Association.
- (5) The Distributor shall as soon as is reasonably practicable send a copy of a policy or revision under this section to—
  - (a) the Secretary of State,

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- (b) the Mayor of London,
  - (c) the National Olympic Committee, and
  - (d) the British Paralympic Association.
- (6) Where the Secretary of State receives a copy of a policy or revision under subsection (5) he shall lay it before Parliament.

## **32 Dissolution**

- (1) The Secretary of State may by order make provision for the dissolution of the Olympic Lottery Distributor.
- (2) An order under this section may, in particular—
- (a) provide for the transfer of property, rights or liabilities of the Distributor to—
    - (i) the Secretary of State, or
    - (ii) any other person;
  - (b) make provision enabling a person to receive anything transferred under paragraph (a) (and that provision shall have effect despite any other enactment or instrument);
  - (c) establish a body corporate;
  - (d) make consequential, incidental or transitional provision which may, in particular—
    - (i) provide for anything done by or in relation to the Distributor to have effect as if done by or in relation to another person;
    - (ii) permit anything (which may include legal proceedings) which is in the process of being done by or in relation to the Distributor when a transfer takes effect, to be continued by or in relation to another person;
    - (iii) provide for a reference to the Distributor in an instrument or other document to be treated as a reference to another person.
- (3) An order transferring a sum of money to the Secretary of State under subsection (2)
- (a)(i) may require the Secretary of State to pay the sum into the National Lottery Distribution Fund; and an order containing such provision shall specify whether the payment is to be—
    - (a) treated as having been paid into the National Lottery Distribution Fund by virtue of section 5(6) of the National Lottery etc. Act 1993 (c. 39) (general payments into fund), or
    - (b) allocated entirely for expenditure on or connected with sport and held in accordance with section 23(2) of that Act (distributing bodies for sports).
- (4) Provision by virtue of subsection (3)(b) may provide for section 23(2) of that Act to apply with specified modifications (which may, in particular, include modifications reducing a distributor's share to nil).
- (5) The Secretary of State may not make an order under this section providing for the transfer of property, rights or liabilities to a person unless the person has consented to the transfer.
- (6) An order under this section—
- (a) may transfer rights and liabilities relating to employees, but

- (b) shall not affect the operation of the Transfer of Undertakings (Protection of Employment) Regulations 1981 (S.I. 1981/1794).
- (7) The Secretary of State may not make an order by virtue of subsection (6)(a) unless satisfied that sufficient notice has been given to enable compliance with any applicable requirement of those regulations.

### *Miscellaneous*

## **33 Interpretation**

- (1) In this Part—
- (a) a reference to the 2012 Olympic Games is a reference to—
    - (i) the Games of the Olympiad that are to take place in the year 2012, and
    - (ii) except where the context otherwise requires, the Paralympic Games that are to take place in that year,
  - (b) “the National Olympic Committee” means the National Olympic Committee of the United Kingdom,
  - (c) “the Organising Committee” means the Organising Committee established by the National Olympic Committee,
  - (d) “the Paralympic Games” means the events known by that name and in connection with which the Organising Committee has functions by virtue of an agreement between that committee and the International Olympic Committee,
  - (e) “the Olympic Charter” means the Olympic Charter of the International Olympic Committee, and
  - (f) any expression used in connection with the Olympic Games (including an expression mentioned in this section) shall have the meaning which it has in or in accordance with the Olympic Charter of the International Olympic Committee (as it has effect from time to time).
- (2) A reference in this Part to the making of a loan includes a reference to the provision of any other kind of financial assistance.

## **34 Consequential amendments, &c.**

- (1) The National Lottery etc. Act 1993 (c. 39) shall have effect subject to this section.
- (2) In section 4 (overriding duties)—
- (a) a reference to functions under Part I of that Act shall be treated as including a reference to functions under this Part of this Act, and
  - (b) the definition in subsection (3) of “the net proceeds of the National Lottery” shall be treated as including a reference to sums paid into the Olympic Lottery Distribution Fund by virtue of section 24 of this Act.
- (3) For section 5(6) (payments by licensee) substitute—
- “(6) A licence under this section shall include a condition requiring the licensee to pay into the National Lottery Distribution Fund sums out of the proceeds of lotteries forming part of the National Lottery.
- (6A) A licence under this section shall include provision for determining—

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- (a) the amount of payments under subsection (6), and
  - (b) the timing of payments under subsection (6).”
- (4) In the case of a licence granted under section 5 before the coming into force of subsection (3) above, the condition included in accordance with section 5(6) shall, after that time, be construed as if any sum required to be paid by that condition were required to be paid into the National Lottery Distribution Fund (subject to section 24 of this Act).
- (5) For section 9(3) (enforcement of conditions) substitute—
- “(3) Where a sum is due to be paid to the National Lottery Distribution Fund by virtue of section 5(6)—
- (a) the sum shall be recoverable by the Secretary of State as a debt due to the Fund, and
  - (b) the licensee’s liability to pay shall not be affected by his licence ceasing to have effect.”
- (6) For section 10A(14) (breach of licence condition: financial penalty: recovery) substitute—
- “(14) Where under this section one person (“the debtor”) becomes liable to pay a penalty to another person (“the creditor”)—
- (a) the penalty and any interest accrued under subsection (13) shall be recoverable by the Secretary of State from the debtor as a debt due to the creditor, and
  - (b) the debtor’s liability to pay shall not be affected by his licence ceasing to have effect.
- (15) A penalty under this section may be payable partly to the National Lottery Distribution Fund and partly to the Olympic Lottery Distribution Fund.”
- (7) In section 11 (directions by Secretary of State to National Lottery Commission) the reference to the functions of the Commission under sections 5 to 10A of that Act shall be treated as including a reference to the functions of the Commission under or in accordance with this Part.
- (8) In section 21 (National Lottery Distribution Fund) subsection (2) (payments in by Secretary of State) shall cease to have effect.
- (9) In section 22 (apportionment of National Lottery Distribution Fund: saving)—
- (a) in subsection (1) for “under section 21(2)” substitute “by virtue of section 5(6) or 10A”,
  - (b) omit subsection (3)(e), and
  - (c) at the end of subsection (4) add “and to section 25 of the Horseshoe Betting and Olympic Lottery Act 2004.”
- (10) Section 30 (winding up of millennium fund) shall cease to have effect.
- (11) Section 33 (accounts) shall apply in relation to the Olympic Lottery Distribution Fund as it applies in relation to the National Lottery Distribution Fund—
- (a) taking the reference to section 32 of that Act as a reference to section 27 of this Act, and
  - (b) with any other necessary modifications.



### **35 Changes in Olympic procedure**

- (1) The Secretary of State may by order make such provision as he thinks necessary or expedient in consequence of a change effected after the passing of this Act in the arrangements made by the International Olympic Committee in relation to the Games of the Olympiad.
- (2) An order under subsection (1) may, in particular, amend a provision of—
  - (a) this Part, or
  - (b) any other enactment.

### **36 Regulations and orders**

- (1) Regulations or an order under this Part shall be made by statutory instrument.
- (2) Regulations or an order under this Part—
  - (a) may make provision generally or only in relation to specified cases or circumstances,
  - (b) may make different provision for different circumstances, and
  - (c) may include incidental, consequential or transitional provision.
- (3) An order under section 22(2) or (3) shall be laid before Parliament.
- (4) An order under section 25, 28 or 35 shall not be made unless a draft has been laid before, and approved by resolution of, each House of Parliament.
- (5) Any other order under this Part, and regulations under this Part, shall be subject to annulment in pursuance of a resolution of either House of Parliament.

### **37 Extent**

- This Part extends to—
- (a) England and Wales,
  - (b) Scotland, and
  - (c) Northern Ireland.