



Embargo:

Release Date: February 6, 2026

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KOREA LOTTERY COMMISSION ANNOUNCES FIRST COMPREHENSIVE LOTTERY SYSTEM OVERHAUL IN 20 YEARS

*"Fund allocation to meet real-world demand;
Lotto tickets now available on mobile"*

- o Statutory lottery fund allocation system to be revised for efficient resource distribution
- o Mobile Lotto pilot sales service to launch on February 9

The Korea Lottery Commission (KLC), under the Ministry of Planning and Budget (MPB), held its 186th plenary session on Friday, February 6 at 10:00 AM, chaired by Acting Minister Lim Kikeun. The Commission discussed the achievements and limitations of the lottery program over the past two decades, and deliberated and approved the "Plan for Reforming the Statutory Lottery Fund Allocation System."

The current lottery fund allocation system, utilizing lottery product sales and lottery proceeds, was introduced and established with the enactment of the Lottery Management Act in 2004. Lottery sales* have grown 2.2-fold, and lottery funds** have increased 3.5-fold by 2025, becoming a key financial source for government programs supporting vulnerable groups. Furthermore, as the public's perception of the lottery shifts from a "get-rich-quick scheme" to an everyday act of sharing, the KLC plans to conduct a comprehensive overhaul of the lottery system to foster a culture of sharing and donation through lotteries.

* Lottery Sales: KRW 3.5 trillion (2004) → KRW 7.7 trillion (2025)

** Lottery Fund: KRW 0.9 trillion (2004) → KRW 3.2 trillion (2025)

[Reform of the Statutory Allocation System]

The statutory allocation system, established in 2004 with the enactment of the Lottery Management Act, was designed to preserve the revenues of existing lottery issuing agencies by mandating that 35% of lottery proceeds be distributed to 10 agencies according to ratios stipulated in the Act.

However, the fixed distribution rate established at that time remains in effect to this day, leading to persistent issues of rigidity and inefficiency due to the inability to reflect changing financial needs and circumstances. Efforts have been made to alleviate this rigidity—such as adjusting the allocation amount by up to 20% based on performance evaluations—but the fixed rate mandated by law has proven insufficient to address fundamental issues, as performance evaluation results are not effectively reflected in the system.

Accordingly, the KLC will pursue a phased reform to allow for the flexible allocation of lottery proceeds, taking into account the financial circumstances and project needs of each institution. First, the statutory allocation ratio will be relaxed from a fixed 35% to *within the 35% range*. This will enhance the effectiveness of performance evaluations and allow surplus funds to be redirected to support vulnerable groups.

Next, the Commission plans to encourage ‘selection and concentration’ in Lottery Fund support projects, in line with the Act's intent, by expanding the range of adjusting allocation amounts based on performance evaluations from the current 20% to 40%. Through this, public awareness of projects supported by the Lottery Fund is expected to be significantly enhanced.

Meanwhile, a sunset clause will be introduced for the statutory allocation system to move away from customary funding and enable funding based on priorities of the overall project portfolio. Once the sunset period concludes, these will transition into public interest projects.

The Lottery Management Act amendment, approved by the Lottery Commission, will undergo standard government legislative procedures and be submitted to the National Assembly within the first half of this year.

[Pilot Operation of Mobile Lotto Sales Service in H1]

Starting February 9, 2026, lottery purchasers will be able to buy Lotto tickets through the Donghaeng Lottery mobile website. While Lotto tickets previously had to be purchased in person at a retailer or through a desktop PC, they will now be conveniently available via mobile devices. However, mobile sales will be operated on a limited basis, capped at 5% of the previous year's Lotto sales during the pilot period in the first half of the year. Unlike PC purchases, mobile Lotto will be available only on weekdays (Monday to Friday), with a purchase limit of 5,000 KRW per person per draw.

The KLC plans to redesign the online space to promote a ‘culture of giving’ across all generations, including younger users, and to encourage responsible purchasing based on identity verification (real-name registration). Furthermore, based on an analysis of the pilot’s effectiveness, the Commission will develop a win-win plan for online and offline retailers, and push for a full-scale mobile rollout in the second half of the year.

Lim Kikeun, Acting Minister of the MPB, stated, “I believe this system reform will greatly contribute to reestablishing a lottery culture as an easy way to share and donate in everyday life, and strengthening welfare for the underprivileged by enhancing the sense of efficacy and convenience for purchasers.”