

## GAMBLING ACT 2005

### Lotteries

- 1 Under the Gambling Act 2005 all Lotteries except those defined as exempt require licences from the Gambling Commission.
- 2 An Exempt Lottery is one of the following:
  - 1.1 An **incidental non-commercial lottery**, i.e. one held at a fund raising event where none of the money raised is used for private gain and;
    - 1.1.1 No more than £500 is deducted from the proceeds for the cost of prizes
    - 1.1.2 No more than £100 is deducted from the proceeds for the costs of organizing the lottery
    - 1.1.3 The lottery must be promoted for a purpose other than private gain
    - 1.1.4 There can be no rollover
    - 1.1.5 Tickets must be sold on the premises where the connected event takes place
    - 1.1.6 Tickets must only be sold while the event is taking place
    - 1.1.7 The results must be announced while the event is taking place.
  - 1.2 A **private lottery** which is a private society lottery, a work lottery or a residents' lottery. These are defined as follows:
    - 1.2.1 A **private society lottery** must be promoted by authorised members of the society with tickets sold only to members of the society or on premises used for the administration of the society or the conduct of its affairs. The society must not be established and conducted for purposes not connected with gambling. The lottery may be promoted for any purpose for which the society is conducted
    - 1.2.2 A **work lottery** is one where the promoters work on a single set of premises and each person to whom a ticket is sold or supplied works on the same premises. A person works on premises if they are employed by a contract of employment to work at or from the premises or they undertake paid or unpaid work from the premises or they conduct business at or from the premises. No profit can be made from the lottery
    - 1.2.3 A **residents' lottery** is one where the promoters live in a single set of residential premises and each person to whom a ticket is sold or supplied lives in the same premises. No profit can be made from the lottery
    - 1.2.4 No advert for the lottery can be displayed or distributed except on the society, work or residential premises.
    - 1.2.5 A ticket must be a document.
    - 1.2.6 Tickets cannot be transferred.

- 1.2.7 Tickets must set out the name and address of each promoter of the lottery, the class of person to whom tickets can be sold or supplied and set out that the tickets are not transferable.
- 1.2.8 All tickets must be sold for the same price which must be shown on the ticket and the price must be paid to the promoters before the ticket is handed over.
- 1.2.9 There can be no rollovers.

1.3 A **customer lottery** which is one:

- 1.3.1 Promoted by a person who occupies premises in Great Britain in the course of a business
- 1.3.2 Tickets are sold or supplied only to customers who are on the premises as customers
- 1.3.3 No profit can be made from a customer lottery
- 1.3.4 No advert for the lottery can be displayed or distributed except on the business premises.
- 1.3.5 A ticket must be a document.
- 1.3.6 Tickets cannot be transferred.
- 1.3.7 Tickets must set out the name and address of the promoter of the lottery, the class of person to whom tickets can be sold or supplied and set out that the tickets are not transferable.
- 1.3.8 All tickets must be sold for the same price which must be shown on the ticket and the price must be paid to the promoters before the ticket is handed over.
- 1.3.9 There can be no rollovers.
- 1.3.10 The maximum prize from a customer lottery is £50 whether in money, money's worth or a mixture of the two.
- 1.3.11 The draw in a customer lottery cannot occur less than seven days after the last customer lottery in respect of those premises.

1.4 A **small society lottery** is one that is promoted wholly on behalf of a non-commercial society and which:

- 1.4.1 Has proceeds from any one lottery which are less than £20,000 and for which the proceeds of all lotteries promoted by the society are less than £250,000 in any calendar year.
- 1.4.2 Is promoted for any purpose for which the promoting society is conducted
- 1.4.3 Of which at least 20% of the proceeds of the lottery are applied to a purpose for which the society is conducted.
- 1.4.4 The maximum prize in such a lottery is £25,000.
- 1.4.5 A rollover is permitted provided that all lotteries affected by the rollover are small society lotteries and the maximum prize in the rollover is £25,000.
- 1.4.6 All entrants in the lottery must receive a ticket which must state the following:
  - ◆ The name of the promoting society

- ◆ The price of the ticket
  - ◆ The name and address of the person designated by the society as responsible for the lottery or of the external lottery manager if applicable
  - ◆ The date of the draw or contain information allowing the date of the draw to be determined.
- 1.4.7 All tickets must be sold for the same price which must be shown on the ticket and the price must be paid to the promoters before the ticket is handed over.
- 1.4.8 The promoting society must be registered with the local authority at all times that a lottery is being promoted.
- 3 In order to comply with the registration requirement a society must apply to the district council for such registration. An application must:
- 1.1 be on the required form (see attached)
  - 1.2 specify the purpose for which the society is conducted
  - 1.3 be accompanied by the required fee of £40.00
  - 1.4 be sent to the district Council in which the principal premises of the society are located.
- 4 If the local authority accepts the application to register the society it will enter the name of the society on its register and confirm the registration both to the applicant and to the Gambling Commission.
- 5 The local authority must refuse to register the applicant society if:
- 1.1 an operating licence issued by the Gambling Commission has been revoked in the five years prior to the application, or
  - 1.2 an application for such an operating licence has been refused in the same period.
- 6 The local authority may refuse to register the applicant society if:
- 1.1 it considers that the applicant is a non-commercial society
  - 1.2 a person who will or may be connected with the promotion of the lottery has been convicted of a relevant offence, or
  - 1.3 information provided in or with the application is false or misleading.
- 7 The local authority may revoke a registration if it considers that they would be obliged or permitted to refuse the application for registration were being made anew. Such a revocation may be effective either immediately or at the end of a period of no more than two months.
- 8 A local authority cannot reuse or revoke a registration unless the registered society has been given the opportunity to make representations.
- 9 If a registration is refused or revoked the society may appeal to the magistrates court.

- 10 A registered society may ask the local authority to cancel a registration at any time
- 11 There is a requirement to pay an annual fee of £20 to the local authority. If that fee is not paid then the local authority may cancel the registration.
- 12 Once a society is registered with the local authority then, within three months of the draw, or the last draw, in the lottery takes place the society must send to the authority a statement, signed by two adult members of the society appointed by it in writing to do so, which includes the following:
  - 1.1 The arrangements for the lottery including:
    - 1.1.1 The dates on which tickets were available for sale or supply
    - 1.1.2 The dates of any draw, and
    - 1.1.3 The arrangements for prizes (including any rollover)
  - 1.2 An account of the proceeds of the lottery
  - 1.3 The amounts deducted by the promoters in respect of the provision of prizes (including the provision of any prizes in accordance with any rollover)
  - 1.4 The amounts deducted by the promoters in respect of other costs incurred in organising the lottery.
  - 1.5 Any amount applied to a purpose for which the promoting society is conducted
  - 1.6 Whether any expenses in connection with the lottery were defrayed other than by deduction from the proceeds of the lottery, and if so:
    - 1.6.1 The amount of the expenses, and
    - 1.6.2 The sources from which they were paid.
  - 1.7 A copy of the appointment of the members of the society to sign the statement on behalf of the society.

**The above is a summary of the requirements of the Gambling Act provisions relating to lotteries. Before making any arrangements to promote any form of lottery you should seek independent legal advice. Whilst every care has been exercised in the preparation of this note Newark & Sherwood District Council cannot accept any liability for any actions taken in reliance on it.**