

GAMBLING ACT 2005

INFORMATION FOR THE GUIDANCE OF SMALL SOCIETY LOTTERIES

1. Schedule 11 of the 2005 Act provides for the conduct of small Lotteries by Societies for raising money for charitable, sporting or similar purposes (other than private gain or commercial benefit). The Society on whose behalf the lottery is being conducted must first be registered with the Local Authority and the lottery must be conducted in a manner complying with the Act and the requirements of the Local Authority.

2. Where ticket sales are likely to exceed £20,000 in value for any one lottery or more than £250,000 per calendar year, registration with The Gambling Commission, instead of the Local Authority, will be required. Further requirements and regulations may be imposed by that body.

3. The conditions applicable to registered lotteries are:-

a. The promoter of the lottery must be a member of the Society authorised in writing by the governing body of the Society to act as such.

b. There is no limit on the number of lotteries which may be held. However, to avoid confusion it is recommended that no two lotteries should be promoted at the same time. If tickets for two separate lotteries are on sale at the same time, the lotteries must be indicated as being separate by the use of different serial numbers printed on the tickets.

c. No more than 80% of the total ticket sales can be deducted for the provision of prizes and expenses. No prize in a lottery registered with a Local Authority may exceed £25,000 (whether in money, money's worth or partly one or the other). Rollovers between lotteries are permitted, but only where every lottery affected is also a small society lottery promoted by the same society, and the maximum single prize does not exceed £25,000.

d. Tickets may provide chances for winning a prize in more than one game.

e. Every ticket lawfully exhibited, distributed or published must contain the following information:-

- The name of the Society
- The name and address of the Promoter
- The date of the lottery
- The price of each ticket (each ticket must be the same price)

f. No ticket or chance shall be sold:-

- In any street *
- By any person under the age of 16 years
- To any person under the age of 16 years
- In any premises used as a Licensed Betting Office

g. No person shall be admitted for participation in the lottery unless he shall first have paid to the Society the whole price of the ticket or chance. No money received for such participation shall in any circumstances be returned.

h. After deducting sums lawfully appropriated on behalf of expenses and the provision of prizes up to a maximum of 80%, the remainder, a **minimum** of 20%, of the lottery proceeds must be applied for the purposes of the Society as declared to the Local Authority on registration.

i. No person supplying lottery tickets may be requested or required to supply them in such a manner, or so marked, as to enable a winning ticket, ie, a ticket entitling the holder to claim a prize, to be identified as such before it is sold. This regulation applies to tickets (commonly known as 'Instant Lottery' tickets) which are manufactured or designed so as to conceal such words, figures, symbols, etc as would, if revealed, indicate whether a ticket is a winning ticket or not.

j. No prize may be offered on such terms that the winning of a prize depends on the purchase of more than one ticket or chance in the lottery.

k. Any scheme approved by a Society for the promotion of a lottery must comply with the provisions of the Gambling Act 2005.

Any breach of these conditions constitutes an offence for which the promoter (unless he can show that he had no knowledge of the contravention) and any other person who is party thereto will be liable to prosecution, in accordance with the provisions of the Act.

4. Not later than the end of the third month after the date of the lottery, the promoter must send a return on the prescribed form to the Local Authority with which the Society is registered. The return must be certified by two members of the Society, being persons of full age appointed in writing by the governing body of the Society, **and accompanied by a copy of the letter or letters of appointment.** Failure to send a return in accordance with the statutory provisions constitutes an offence, and any person who knowingly gives or certifies any false information in such a return also renders himself liable to prosecution.

5. The Society is to maintain written records of all unsold and returned tickets for a period of one year from the date of the lottery draw.

* where street includes any bridge, road, lane, footway, subway, square, court or passage (including passages through enclosed premises such as shopping malls). Tickets may be sold from a kiosk or shop (having no space for the accommodation of customers) or door to door.

This information is produced solely for the guidance of persons wishing to find out more about lotteries, as the law relating thereto is complex. It seeks to answer some of the more common questions posed by organisers to Local Authority Officers. These notes are meant to serve as brief information only and should not be taken as a definitive or complete account of the current regulations. Organisers may therefore need to take their own independent legal advice.

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