

Gambling Act 2005 Lotteries Information Sheet

The majority of lotteries conducted at a local level will fall under the Incidental Non-Commercial Lottery exemption or they will need to register as a Small Society Lottery.

Incidental Non-Commercial Lottery

A lottery is exempt if all the points below apply:

1. It is incidental to a non-commercial event (non-commercial meaning that no sum raised is for private gain)
2. There is no rollover
3. It is promoted wholly for a purpose other than that of private gain
4. The results of the lottery must be made public while the connected event is taking place.
5. Tickets are only sold or supplied on the premises which the connected event takes place and while the connected event is taking place
6. In respect of the cost of the prizes awarded in the lottery the promoters may deduct from the proceeds of the lottery no more than £500.
7. In respect of the costs incurred in organising the lottery the promoters may deduct from the proceeds of the lottery no more than £100.

Small Society Lottery

A society must be established and conducted:

- for charitable purposes
- for the purpose of enabling participation in, or of supporting, sport, athletics or a cultural activity
- for any other non-commercial purpose other than that of private gain.

The total value of tickets to be put on sale per single lottery must be £20,000 or less, or the combined total value of tickets to be put on sale for all their lotteries in a calendar year must not exceed £250,000.

If you wish to register as a small society lottery, please complete the application form and return it with a fee of £40.00. Please note there is a £20.00 annual fee if you wish the registration to continue which must be received at least two months before the anniversary of the registration.

All registered Small Society Lotteries must comply with the requirements below regarding lottery tickets and completion of returns.

Tickets

Lotteries may involve the issuing of physical or virtual tickets to participants (a virtual ticket being non-physical, for example in the form of an email or text message). All tickets must state:

- the name of the promoting society
- the price of the ticket (which must be the same for all tickets)

- the name and address of the member of the society who is designated as having responsibility at the society for promoting small lotteries, or (if there is one) the external lottery manager
- the date of the draw, or information which enables the date to be determined.

The requirement to provide this information can be satisfied by providing an opportunity for the participant to retain the message electronically or print it.

All registered small society lottery operators should maintain written records of any unsold and returned tickets for a period of one year from the date of the lottery draw. The licensing authority is permitted to inspect the records of the lottery for any purpose related to the lottery.

The Act requires that lottery tickets may only be sold by persons that are aged 16 or over to persons that are aged 16 or over.

The following criteria apply to all small society lottery operators:

- tickets should not be sold in a street, where street includes any bridge, road, lane, footway, subway, square, court or passage (including passages through enclosed premises such as shopping malls)
- tickets may, however, be sold in a street from a kiosk, in a shop or door to door.

Lottery Returns

The Act sets out the information that the promoting society of a small society lottery must send as returns to the licensing authority with which it is registered, following each lottery held. This information allows licensing authorities to assess, in particular, whether financial limits are being adhered to and to ensure that any money raised is applied for the proper purpose. The information that must be submitted is as follows:

- the arrangements for the lottery – specifically the date on which tickets were available for sale or supply, the dates of any draw and the value of prizes, including any donated prizes and any rollover
- the total proceeds of the lottery
- the amounts deducted by the promoters of the lottery in providing prizes, including prizes in accordance with any rollovers
- the amounts deducted by the promoters of the lottery in respect of costs incurred in organising the lottery
- the amount applied to the purpose for which the promoting society is conducted (this must be at least 20% of the proceeds)

- whether any expenses incurred in connection with the lottery were not paid for by deduction from the proceeds, and, if so, the amount of expenses and the sources from which they were paid.

The Act also requires that returns must:

- be sent to the licensing authority no later than three months after the date of the lottery draw, or in the case of 'instant lotteries' (scratch cards) within three months of the last date on which tickets were on sale
- be signed (electronic signatures are acceptable if the return is sent electronically) by two members of the society, who must be aged eighteen or older, are appointed for the purpose in writing by the society or, if it has one, its governing body, and be accompanied by a copy of their letter or letters of appointment.

The Commission may inspect a society's returns, although it will not routinely do so. As such licensing authorities are required to retain returns for a minimum period of three years from the date of the lottery draw. They should also make them available for inspection by the general public for a minimum period of 18 months following the date of the lottery draw. Licensing authorities should ensure that information regarding the location of statements (in effect on websites, in council offices etc), when they can be viewed, and the cost of obtaining copies, is made available to the public.