

## **Small Society Lottery Registrations**

A Small Society Lottery is a lottery that is promoted on behalf of a non-commercial society (such as a charity or similar non-profit making organisation) to raise funds for any of the purposes for which the Society or organisation is set up. It is not permissible to establish a society whose sole purpose is to facilitate a lottery.

A society is defined as non-commercial if it is:

- a) For charitable purposes (as defined by section 2 of the Charities Act 2006)
- b) For the purpose of enabling participation in, or of supporting, sport, athletics or a cultural activity; or
- c) For any other non-commercial purpose other than that of private gain.

The person acting as the Promoter of the lottery must be:

- 1) A member of the society and must be authorised in writing by the society's Governing Body, or
- 2) An External Lottery Manager, who must hold a lottery manager operating licence issued by the Gambling Commission.

The minimum age for participation in a lottery is 16 years of age. A person commits an offence if they invite or allow a child to enter a lottery other than certain classes of exempt lottery (i.e. incidental non-commercial lotteries, private lotteries, work lotteries, and resident's lotteries)

### **Limits under Gambling Act**

The total value of tickets put on sale in a single lottery must be not more than £20,000.00. The society's aggregate proceeds from lotteries must not exceed £250,000 in a calendar year. If a society cannot operate within these limits, it must be licensed by the Gambling Commission as a large lottery.

The society must apply a minimum of 20% of the gross proceeds of each lottery directly to the purposes of the society. Up to a maximum of 80% of the gross proceeds of each lottery may be divided between prizes and expenses. The maximum prize in a single lottery is £25,000 in the case of a small society lottery. Rollovers are permitted provided the maximum single prize limit is not breached.

### **Lottery Tickets**

Every ticket must be the same price and the cost of purchased tickets must be paid to the society before entry into the draw is allowed. There is no maximum price of a lottery ticket.

All tickets must state:

- The name of the society on whose behalf the lottery is being promoted
- The price of the ticket
- The name and address of the member of the society / External Lottery Manager responsible for the promotion of the lottery
- The date of the draw, or the means by which the date may be determined

Tickets which are issued through a form of remote communication or any other electronic manner (for example email or text) must specify this information to the purchaser of the ticket and ensure that the message can be either retained or printed.

Tickets must not be sold to anyone in a street. Tickets may be sold by a person in a static structure such as a kiosk or display stand, from a shop premises in a street, or door to door. For this purpose a 'street' includes any bridges, road, lane, footway, subway, square, court,

alley or passage (including passages through enclosed premises such as shopping malls) whether a thoroughfare or not.

### **Lottery Returns**

Every society registered with the local authority must submit a statement providing the following information:

- The date on which tickets were available for sale or supply and the date of the draw,
- The total proceeds of the lottery
- The amounts deducted by the promoters of the lottery in respect of costs incurred in organising the lottery
- The amount applied directly to the purpose for which the promoting society is conducted; and
- 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.

This statement must be sent to the local authority within 3 months beginning on the day on which the draw in the lottery took place. It must be signed by two members of the society appointed in writing for that purpose by the society's governing body.

Returns will be retained by the local authority for a minimum period of three years and may be inspected by the Gambling Commission at any time within that period. Members of the public may inspect returns for at least 18 months after the draw.

### **Application and Fees**

An application to register a Small Society Lottery must be made to the Council in the area where the Society's principal office is located.

To make the application the following must be submitted:

- Application form
- Fee – the initial registration application fee is £40.00
- A copy of the Society's Constitution – in order to establish that it is a bona-fide non-commercial society
- A copy of the Appointment of Promoter and Certified Members form

All Local Authorities are required to keep a register of small society lottery registrations, this register will be made available to the public on request.

At the time of application and annual renewal, the Local Authority will check that the society does not hold a duplicate registration with them or another Local Authority where the aims and objectives of the society are the same. If that is the case and the combined proceeds are likely to exceed the threshold limits for small society lotteries, the society should be advised to apply to the Commission for a society operating licence and the Local Authority will notify the Gambling Commission.

The annual fee for on-going registration is £20.00. This annual fee is payable within the 2 months of the anniversary of the registration (or within 2 months of 1<sup>st</sup> January in the case of pre- September 2007 registrations). Registrations run for an unlimited period unless cancelled. Where payment of the annual fee is not received by the due date, the registration will lapse.

## **Exempt Lotteries**

The following types of lottery are exempt if the conditions listed below are satisfied.

- 1) Incidental lotteries
- 2) Private Lotteries
- 3) Customer Lotteries

### **1) Incidental lotteries**

This is a lottery held as incidental to an event. Examples may include a lottery held at a school fete, or at a social event such as a dinner dance.

- An incidental lottery must be promoted wholly for a purpose other than that of private gain.
- The promoters of the lottery may not deduct more than £100 from the proceeds in respect of the expenses, such as the costs of printing tickets, hire of equipment, etc.
- The promoters of the lottery may not deduct more than £500 from the proceeds in respect of the cost of the prizes (but other prizes may be donated to the lottery).
- The lottery **cannot** involve a rollover of prizes from one lottery to another, and
- All tickets must be sold at the location during the event.

### **2) Private Lotteries**

A lottery is exempt if:

- a) it is a private society lottery, a work lottery or a residents' lottery, and
- b) the other conditions specified in this guidance are satisfied.

#### **i) Private Society Lotteries**

Promoted only by authorised members of a society and each person to whom a ticket is sold is either a member of the society or on premises wholly or mainly used for the administration of the society or the conduct of its affairs.

A private society lottery may be promoted for any of the purposes for which the society is conducted or for any other purpose other than that of private gain.

#### **ii) Work Lottery**

A work lottery must be organised in such a way as to ensure that no profits are made or promoted wholly for a purpose other than that of private gain.

A lottery is a work lottery if:

- The promoters work on a single set of premises, and
- Each person to whom a ticket is sold/supplied works on the work premises

A person works on the premises if:

- He is employed under a contract of employment to work at or from the premises
- Undertakes to work at or from the premises (whether or not for remuneration)
- Conducts a business at or from the premises.

#### **iii) Residents' lottery**

A residents' lottery must be organised in such a way as to ensure that no profits are made or promoted wholly for a purpose other than that of private gain.

A lottery is a residents lottery if:

- The promoters live in a single set of premises, and
- Each person to whom a ticket is sold or supplied also lives in the residential premises

**Conditions which apply to Private Lotteries:**

- No advertisement may be displayed or distributed except on the society premises or be sent to any other premises.
- Each ticket must be a document
- A ticket may only be sold or supplied by or on behalf of the promoters
- The rights conferred by the sale or supply of a ticket in a private lottery shall not be transferable
- The arrangements for a private lottery must not include a rollover.
- The price payable for each ticket MUST:
  - be the same
  - be paid to the promoters of the lottery before any person is given the ticket or any right in respect of membership of the class among whom prizes are to be allocated

**3) Customer lottery**

A residents' lottery must be organised in such a way as to ensure that no profits are made.

A lottery is exempt if:

- It is promoted by a person who occupies premises in Great Britain in the course of a business
- No ticket in the lottery is sold or supplied to a person except at a time when he is on the business premises as a customer of the promoter, and
- The other conditions of a customer lottery are satisfied.

Conditions:

- No advertisement for a lottery may be:
  - Displayed or distributed except on the business premises, or
  - Sent to any other premises
- Each ticket must be a document
- A ticket may only be sold/supplied on behalf of the promoter
- The rights conferred by the sale/supply of a ticket shall not be transferable
- Each ticket MUST:
  - state the name and address of the promoter of the lottery
  - specify the class of persons to whom the promoter is willing to sell/supply tickets
  - explain that it is non-transferable
- The price payable for each ticket MUST:
  - be the same
  - be shown on the ticket
  - be paid to the promoter of the lottery before any person is given the ticket of any right in respect of membership of the class among whom prizes are allocated.
- It must not be possible for the purchaser of a ticket in a customer lottery to win by virtue of that ticket more than £50 (whether in money, money's worth, or partly the one and partly the other)
- The arrangements must not include a rollover
- A draw must not take place during a period of seven days beginning with a previous draw in:
  - That customer lottery, or
  - Another customer lottery promoted on the business premises.