

Small Society Lottery Registrations

The Gambling Act 2005 creates a new regulator for all gambling, the Gambling Commission. It also introduces a new licensing regime for society and local authority lotteries and a registration system for small society lotteries.

The Gambling Act allows for a general relaxation of lottery law, it:

- Relaxes the limits on the percentage of proceeds that may be applied to expenses or prizes;
- Allows rollovers of the prize fund from one lottery to another,
- Allows for the sale of tickets by an automated process; and
- Removes the maximum price for a lottery ticket

General information

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.

It is not permissible to establish a society whose sole purpose is to facilitate a lottery.

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)

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

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 promoting society must be registered with a local authority. This must be the authority in the area where the society's principal office is located.

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 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.

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 three 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 18months after the draw.

Fees

The fee payable with the initial registration application is £40.00

The annual fee for on-going registration is £20.00. This annual fee is payable within 2 months of the anniversary of the registration (or within 2 months of 1st January in the case of pre- September 2007 registrations). If the annual fee payment is not received by the due date, the registration will lapse.

Incidental non-commercial lotteries

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

An event is non-commercial if all the money raised at the event including entrance fees goes entirely to purposes that are not for private gain.

This type of lottery does not require registration with the local authority as long as the conditions detailed below:

- 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
- 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 and the result made public while the event takes place.

Private Lotteries

A lottery is exempt if it is a private society lottery, a work lottery or a residents' lottery and the conditions listed below are satisfied.

Private society lottery – 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 the premises wholly or mainly used for the administration of the society or the conduct of its affairs

A society means any group or society established and conducted for purposes not connected with gambling.

Conditions –

- A private society lottery may be promoted for any of the purposes for which the society is conducted
- 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
- Each ticket in a private lottery
 - Must state the name and address of each of the promoters of the lottery,
 - Must specify the class of persons to whom the promoters are willing to sell/supply tickets, and
 - Must explain that the rights are not transferable
- The price payable for each ticket
 - Must be the same
 - Must be shown on the ticket
 - Must 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

Work Lottery

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 or supplied also 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.

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

- 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
- Each ticket in a private lottery
 - Must state the name and address of each of the promoters of the lottery,
 - Must specify the class of persons to whom the promoters are willing to sell/supply tickets, and
 - Must explain that the rights are not transferable
- The price payable for each ticket
 - Must be the same
 - Must be shown on the ticket

- Must 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
- No advertisement may be displayed or distributed except on the work premises or sent to other premises

Residents' lottery

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

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

- 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
- Each ticket in a private lottery
 - Must state the name and address of each of the promoters of the lottery,
 - Must specify the class of persons to whom the promoters are willing to sell/supply tickets, and
 - Must explain that the rights are not transferable
- The price payable for each ticket
 - Must be the same
 - Must be shown on the ticket
 - Must 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
- No advertisement may be displayed or distributed except on the residential premises or sent to other premises.

Customer lottery

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 -

- The lottery must be organised in such a way as to ensure that no profits are made,
- 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
 - Must specify the class of persons to whom the promoter is willing to sell/supply tickets
 - Must explain that it is non-transferable
- The price payable for each ticket
 - Must be the same
 - Must be shown on the ticket
 - Must 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.

This document has been drafted for information purposes. Whilst every effort has been made to ensure accuracy, the Authority accepts no liability for error or omission. If you have any queries on licensing requirements you should contact the Licensing Section, the Gambling Commission or your own legal adviser for advice.