

GAMBLING ACT 2005

Small Society Lotteries

1.0 INTRODUCTION:

- 1.1 Section 258 and Schedule 11 of the Gambling Act 2005 authorises the conduct of small lotteries (e.g., a sweepstake or draw etc) by societies for raising money for charitable, sports and other similar purposes, otherwise than for private gain. The Society on whose behalf the lottery is promoted must first be registered for the purposes of the Act with the appropriate authority, usually the District Council in whose area the office or head office of the Society is situated. The lottery must be conducted in a manner complying with the Act.
- 1.2 These Notes provide information on those Small Society Lotteries.

2.0 REGISTRATION OF SOCIETY

- 2.1 In order to obtain the benefits of the Act, the Society (an expression which includes a local branch or section of a Society organised on a national or area basis) must be one which is established and conducted:-
- (i) for charitable purposes;
 - (ii) for the purposes of enabling participation in or support of sports, athletics or cultural activities;
 - (iii) any other non-commercial purpose other than private gain.
- 2.2 If a Society does not put on sale tickets or chances valued at more than £20,000 for any lottery and if it does not put on sale tickets or chances the value of which, when added to those sold or to be sold in all earlier lotteries in the same calendar year, amounts to over £250,000, application for registration should be made to the Local Authority within whose area the office or the head office of the particular Society is situated. Forms of application are available from the offices of the Local Authority and when completed should be returned to the Authority, together with the statutory fee of £40. This fee is amended from time to time and it would be advisable to check with the Council as to the amount currently required to be paid on application for registration.
- 2.3 If a Society wishes to run lotteries which will exceed the amounts mentioned above, then application for a licence must be made to the Gambling Commission.
- 2.4 In the case of registration by the Local Authority, a certificate of registration will be issued by the Authority to the Society, unless registration is refused because:-
- (i) the Society does not appear to fall within the provisions of the Act; or
 - (ii) the Gambling Commission has refused or revoked a licence within the last five years; or
 - (iii) a person or persons connected with a lottery promoted or proposed to be promoted on behalf of the Society has been convicted of a relevant offence; or
 - (iv) information given by the Society in or in connection with its application for registration was false or misleading.

- 2.5 Even if the Society is duly registered the Local Authority may subsequently decide that the registration should be revoked for the reasons set out in 2.4 above.
- 2.6 If a registration is refused or revoked the Society has a right to appeal to the Magistrates' Court.
- 2.7 Every registered Society must pay an annual registration fee of £20. At any time the Society may apply for its registration to be cancelled and the Local Authority must cancel the registration accordingly. The Authority may cancel the registration if the annual fee is not paid.

3.0 CONDUCT OF LOTTERIES

- 3.1 The Society must be registered with the appropriate Authority.
- 3.2 The lottery must be promoted in accordance with a scheme approved by the Society.
- 3.3 The whole proceeds of the lottery, after deducting sums lawfully used for expenses or for the provision of prizes, must be applied to the purposes of the Society.
- 3.4 The promoter of the lottery shall be a member of the Society authorised in writing by the governing body of the Society to act as the promoter.
- 3.5 Every ticket sold in respect of the lottery must specify the name of the Society, the price of the ticket, the name and address of the promoter, the date of the draw and name of the Authority with which the lottery is registered.
- 3.6 Every ticket or chance in a lottery must cost the same and the Society must take payment for the ticket fee before entry into the draw is allowed.
- 3.7 No prize in a lottery can exceed £25,000 in amount or value.
- 3.8 No prize shall be offered on condition that the winning of the prize depends on the purchase of more than one ticket or chance in the lottery.
- 3.9 Rollovers between lotteries are only permitted where every lottery affected is a Small Society Lottery promoted by the same Society and the maximum single prize is £25,000.
- 3.10 The minimum age for participation in a lottery is 16, societies are required to implement effective procedures to minimise the risk of lottery tickets being sold to children or children selling tickets, including procedures for:
 - (i) Checking the age of potentially underage purchasers of lottery tickets
 - (ii) Taking action where there are unlawful attempts to purchase tickets.

4.0 RETURNS:

- 4.1 The promoter of the lottery shall by the end of the third month after the date of the draw in the lottery send to the appropriate Authority a return certified by 2 other members of the Society who are full age and appointed in writing by the governing body of the Society and be accompanied by a copy of their letter or letters of appointment. The return must show:-
 - (i) 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;
 - (ii) the total proceeds of the lottery;

- (iii) the amounts deducted by the promoters of the lottery in respect of costs incurred in organising the lottery (no more than 80%);
- (iv) the amount applied to the purpose for which the promoting Society is conducted (this must be at least 20% of the proceeds); and
- (v) 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.

5.0 OFFENCES:

- 5.1 Any person conducting a non-exempt lottery without a licence or without having it registered could be guilty of an offence.
- 5.2 If any person fails to send in the return as required or knowingly gives false information in the return he/she shall be guilty of an offence. Likewise, any person who certifies the return knowing it has false information is guilty of an offence.
- 5.3 It is an offence for any person to invite, cause or permit a child to participate in a small society lottery and in particular to sell tickets to under 16's.