GAMBLING ACT 2005

LOTTERIES DRAWS AND RAFFLES

NOTES FOR GUIDANCE

What is a Lottery?

A lottery is a distribution of prizes by lot or chance, where persons taking part, make a payment in return for an opportunity of winning a prize.

A lottery does not involve any degree of skill – winning is entirely a matter of luck. Lotteries are sometimes called Draws or Raffles.

Which Lotteries are Legal?

All lotteries are illegal unless they are either:-

- Incidental non-commercial lotteries
- Private lotteries
- Customer lotteries
- Small society lotteries

What are Incidental Non-Commercial Lotteries?

An incidental non-commercial lottery is one which is run in conjunction with a non-commercial event for example a church fair or a raffle organised at a dance. In order to claim exemption from registration the following rules must be complied with:-

- no sum raised by the organisers of the event is appropriated for the purpose of 'private gain' and such a lottery must be promoted wholly for a purpose other than that of 'private gain';
- arrangements for an incidental non-commercial lottery must not include a rollover; and
- the promoter of an incidental non-commercial lottery may not deduct from the proceeds more than the prescribed sum in respect of the cost of the prizes or the costs actually incurred in organising the lottery.

What are Private Lotteries?

There are three types of private lotteries. These are:-

- Private society lotteries
- Work lotteries
- Residents' lotteries

In order to claim exemption from registration they must comply with any one of the above definitions. In addition:-

a lottery is private society if:-

- It is 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 private society lottery may be promoted for any of the purposes for which the society is conducted, but no others. In addition no advertisement for a private society lottery may be displayed or distributed expect on the society premises.

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 premises.

A work lottery must be organised in such a way as to ensure that no profits are made. In addition no advertisement for a work lottery may be displayed or distributed except on the work premises.

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. In addition no advertisement for a residents' lottery may be displayed or distributed except on the residential premises.

What is a Customer Lottery?

A customer lottery is one which is run by occupiers of a business premises and where tickets are only sold to customers present on the premises for example a supermarket holding a hamper raffle. In order to claim exemption from registration the following rules must be complied with:-

- must be non- profit making;
- no advertisement for a customer lottery may be displayed or distributed except on the business premises;
- no ticket may result in the winner receiving a prize worth more than £50; and
- roll-overs are prohibited.

What is a Small Society Lottery?

A small society lottery is one which is promoted wholly on behalf of a non-commercial society and where at least 20% of the proceeds of the lottery go to one of the society's purposes; **and** where a maximum prize of up to £25,000 is offered. A non-commercial society is one established and conducted for:-

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

Society's wishing to promote lotteries are required to apply for registration.

How does a Society become registered to run lotteries?

- If the value of the proceeds exceed £20.000; **or**
- If the aggregate proceeds during a calendar year exceed £250,000; **or**
- If during its promotion, the aggregate proceeds for the year, may exceed £250,000

You will be required to apply for a Society Operating Licence from the Gambling Commission, Victoria Square House, Victoria Square, BIRMINGHAM B2 4BP (Tel: 01212306500)

All the following notes only apply if the value of tickets sold is less than those outlined above, where the society must register with the local authority within whose area its office or head office is situated. If there is no head office address the society will have to use the home address of one of its members as its official address.

How to Apply for a Small Lottery Registration?

Complete application form and return to the address shown at the bottom of these notes with a cheque for £40 made payable to Suffolk Coastal District Council.

Upon receipt licensing staff will process the application by:-

- entering the details in a register kept by the authority;
- sending the applicant notification of the registration together with an official receipt, **and**
- notifying the Gambling Commission of the registration.

In the unlikely event that an application for registration is refused or revoked the applicant/permit holder has right of appeal to the Magistrates' Court.

What Happens after a Registration has been Approved?

Following notification of registration approval a promoting society of a small lottery must send to the local authority with whom the society is registered a statement containing the following information:-

- The arrangements for the lottery (including the dates on which tickets were available for sale, or supply, the dates of any draw and the arrangements for prizes (including any rollover),
- The proceeds of the lottery,
- The amounts deducted by the promoters of the lottery in respect of the provisions of prizes,
- The amounts deducted by the promoters of the lottery in respect of other costs incurred,
- Any amount applied to a purpose for which the promoting society is conducted, and
- Whether any expenses in connection with the lottery fell short otherwise that by the deduction from proceeds, and, if they were –

    - the amount of the expenses, and
    - the sources from which they fell short

This statement must be sent to the local authority during the period of three months beginning with the day on which any draw (or the last draw) takes place.

The statement must be signed by two members of the society who are appointed for the purpose in writing by the society.

A registered society will be required to pay an annual charge of £20 to the local authority. This charge becomes due on 1 January of each year.

How Many Lotteries can be Held?

There is no limit as the number of lotteries which can take place but it must be possible to account for each one separately. For this reason it is recommended that no two lotteries should be held on the same date.

For more detailed information of Lotteries please contact the Licensing Team on (01394) 444460

The Licensing Team

Suffolk Coastal District Council

Melton Hill

WOODBRIDGE

Suffolk IP12 1AU