



GAMBLING ACT 2005

SMALL SOCIETY LOTTERY REGISTRATION GUIDANCE NOTES



These notes summarise the provisions of the above Act and are intended to help a club, organisation or society with the registration and conduct of a small society lottery. They are not intended to be a comprehensive statement of the law.

What is a lottery?

A lottery is a kind of gambling that has three essential ingredients:

- You have to pay to enter the game
- There is always at least one prize
- Prizes are awarded purely on chance

A typical small lottery is a raffle where players buy a ticket with a number on it; the tickets are randomly drawn and those holding the same numbered ticket win a prize. Other versions include sweepstakes and 100 clubs. Whilst there is no maximum price for a ticket, in each lottery all tickets must cost the same. That way, everyone has the same chance of winning for the same outlay.

What is a Society?

A Society must be a non-commercial organisation and the Act describes a Society if it is established and conducted for:

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

A Society must not be set up purely for the purpose of holding a lottery – it must have some other purpose.

What is a Small Society Lottery?

A small society lottery has a maximum limit of £20,000 in ticket sales in a single draw or £250,000 in a calendar year and is registered with a Local Authority.

Some lotteries do not require permission – a brief explanation of these is:

Private society lotteries- any group or society except those set up for gambling. The proceeds of the lottery must go to the purposes of the society itself. Tickets may only be sold to members or guests on the premises.

Work lotteries – These can only be run and played by colleagues at a particular place of work. The lottery cannot make a profit.

Residents' lotteries – These can only be run and played by people living at a particular address. The lottery cannot make a profit.

Customer lotteries – These can only be run by a business, at its own premises, and for its own customers. No prize can be more than £50.00 in value and the lottery cannot make a profit. The draw cannot take place within 7 days of a previous draw in the lottery or another customer lottery promoted on the premises.

Incidental non-commercial lotteries – These are held at non-commercial events such as school fetes etc. All the ticket sales and the draw must take place during the main event, which may last more than a single day. Prizes cannot total more than £500.

LIMITS

- At least 20% of the lottery proceeds must be applied to the purpose of the society.
- No single prize may be worth more than £25,000. Prizes may be cash or non-monetary.
- Rollovers between lotteries are only permitted where every lottery affected is also a small society lottery promoted by the same society and the maximum single prize is £25,000
- There is no price limit on tickets, but every ticket in the lottery must cost the same – the ticket fee must be paid to the society before entry into the draw is allowed.
- The maximum amount that can be deducted for expenses and prizes must not exceed 80%. Donated prizes are not included as part of the 80% but should still be declared on the 'return' form following the lottery.
- Prizes involving alcohol are not licensable under the Licensing Act 2003, subject to conditions.

TICKETS

Tickets may involve the issuing of physical or virtual tickets, e.g. in the form of an e-mail or text message. The purchaser of a ticket must receive *confirmation which identifies:

- The name of the promoting society
- The price of the ticket
- The name and address of the member of the society who is designated as having responsibility for promoting the lottery (The Promoter).
- The date of the draw, or information which enables the date to be determined.

Tickets can only be sold by persons over the age of 16 to persons over the age of 16.

Tickets should not be sold in a street, but may be sold from a kiosk, in a shop or door to door.

*this can be satisfied by providing an opportunity for the participant to retain the message or print it.

'RETURN' FORMS

Within 3 months of the date of each lottery draw the promoter must submit the following information, on the 'return' form provided by the Licensing Authority. This must be signed by two members of the society who are aged eighteen or older and who are appointed in writing by the Society for that purpose. (Electronic signatures are acceptable if the form is submitted electronically)

- 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 donated prizes and any rollover.
- The proceeds of the lottery
- The amount deducted in providing prizes.
- The amount deducted in respect of costs incurred in organising the lottery.
- Details of any expenses incurred in connection with the lottery which were not paid for from the proceeds including the amount and the source from which they were paid.
- The amount applied to the purpose of the promoting society (this must be at least 20% of the proceeds).

FEES

A fee of **£40.00** is payable with the application plus an annual fee thereafter of **£20.00**. Registrations run for an unlimited period unless cancelled with the Local Authority. An invoice will be sent to the registered promoter for the annual fee and must be paid in the two months prior to the anniversary. Failure to do so may result in the cancellation of the registration. All cancellations will be notified to the Gambling Commission.

OTHER REQUIREMENTS

- The society is required to register with the Local Authority in whose area its principal office is situated.
- Applications must be in the form prescribed by the Secretary of State; the application form is available on the lotteries webpage of our websites and must be submitted together with the required fee of **£40.00**. The form includes a requirement for the applicant to provide a declaration in connection with the application.
- When a Society changes its promoter, details of the new promoter must be advised to the Licensing Department and the registration document returned for amendment.
- The Local Authority has a duty to notify the Gambling Commission of all lottery registrations, cancellations and amendments.

TO CANCEL THE REGISTRATION

Please advise the Licensing Department in writing or by e-mail (see contact details below).

OTHER USEFUL LINKS AND CONTACTS:

www.gamblingcommission.gov.uk
www.lotteriescouncil.org.uk

Tel: 0121 230 6677

Licensing Department
 South Hams District Council
 Follaton House
 Plymouth Road
 Totnes
 TQ9 5NE
 Tel: 01803 8611234
 Email: licensing@southhams.gov.uk

Licensing Department
 West Devon Borough Council
 Kilworthy Park
 Drake Road
 Tavistock
 PL19 0BZ
 Tel: 01822 813600
 Email: licensing@westdevon.gov.uk

Quick guide to small lotteries

Type of Lottery	Fund raising?	Who can play?	Who can run one?	Limits on time	Limits on place	Can I claim my costs
Types of lottery that require permission from the Local Authority						
Small Society	Yes, at least 20% of proceeds	Over 16s	Society members or nominated fundraisers	None	None	Yes, for prizes and expenses. Up to 80% of ticket sales.
Types of lottery that do not require permission						
Private Society	Yes	Members or guests on the premises	Society members	One-off. No rollovers	Members or guests must be on the premises	Yes, for prizes and reasonable lottery running costs.
Work	No profit can be made	Employees at a single premises only	Any employee	One-off. No rollovers	No sales, or adverts off the premises. Single premises only.	Yes, for prizes and reasonable lottery running costs.
Residents'	No profit can be made	Residents at a single premises only	Any resident	One-off. No rollovers	No adverts off the premises	Yes, for prizes and reasonable lottery running costs.
Customer	No profit can be made	Your customers	Occupier of business premises	7 days between. No rollovers	No sales or adverts off the premises	Yes, for prizes and reasonable lottery running costs.
Incidental Non-commercial e.g. School or Church fete	Yes	Anyone at the event	Anyone	One-off. Sales only at the event	Only at the event	£100 max.

Guide to offences applicable to lotteries under the Act

s.258	Promoting a non-exempt lottery without a licence
s.259	Facilitating a non-exempt lottery without a licence
s.260	Misusing the profits of a lottery
s.261	Misusing the profits of an exempt lottery
s.262	Purporting to operate a small society lottery when not registered, or failing to make the required, or making false or misleading returns in respect of such lotteries.
s.326	Without reasonable excuse, obstructing or failing to co-operate with an authorised person exercising his/her powers
s.341	Without reasonable excuse, giving false or misleading information to the Gambling Commission or a licensing authority