GAMBLING ACT 2005
(SMALL SOCIETY LOTTERIES)

REGULATIONS AND EXPLANATORY NOTES CONCERNING THE ACT

These Notes do not constitute an authoritative interpretation of the law, which can only be given by the Courts. They are intended as a guide only. General enquiries will be answered as far as possible but without obligation or commitment on the part of the Council.

If it is desired to refer to the Act or Regulations as a means of obtaining more specific guidance or advice, it can be found on the Gambling Commissions website.

The Registration does not entitle promotion of Bingo Sessions.

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1 An arrangement is a simple lottery if:
   • persons are required to pay to participate in the arrangement;
   • in the course of the arrangement one or more prizes are allocated to one or more
     members of a class; and
   • the prizes are allocated by a process which relies wholly on chance.

2 An arrangement is a complex lottery if:
   • persons are required to pay to participate in the arrangement;
   • in the course of the arrangement one or more prizes are allocated to one or more
     members of a class;
   • the prizes are allocated by a series of processes; and
   • the first of those processes relies wholly on chance.

3 By virtue of section 14(5) of the Act, for the purpose of these definitions a process which
   requires persons to exercise skill or judgment or display knowledge is to be treated as relying
   wholly on chance if:
   • the requirement cannot reasonably be expected to prevent a significant proportion of
     persons who participate in the arrangement from receiving a prize; and
   • it cannot reasonably be expected to prevent a significant proportion of persons who
     wish to participate in the arrangement from doing so.

The exemption

(1) A lottery is exempt if-

   (a) it is promoted wholly on behalf of a non-commercial society ("the promoting society"),
   (b) it is a small lottery (within the meaning of paragraph 31), and
   (c) the other conditions of a small society lottery specified in this Part are satisfied.

(2) A lottery promoted wholly on behalf of a non-commercial society is referred to in this
    Part as a small society lottery.

(1) For the purposes of this Part a society lottery is a small lottery unless it is a large lottery
    by virtue of any of sub-paragraphs (2) to (5).

(2) A society lottery is a large lottery if the arrangements for it are such that its proceeds
    may exceed £20,000.

(3) A society lottery is a large lottery if it is promoted wholly or partly at a time in a calendar
    year at which the aggregate of the promoting society's proceeds from society lotteries
    promoted wholly or partly during that year exceeds £250,000.

(4) A society lottery is a large lottery if the arrangements for it are such that (disregarding
    any other society lottery the sale of tickets for which is not concluded) it may during its
    promotion become a large lottery by virtue of sub-paragraph (3).
(5) If a society promotes a lottery that is a large society lottery by virtue of sub-paragraph (2), (3) or (4) (“the first lottery”), any other society lottery promoted by that society is a large lottery if it is wholly or partly promoted-

(a) after the beginning of the promotion of the first lottery and in a calendar year during which the first lottery is wholly or partly promoted, or

(b) in any of the three calendar years successively following the last calendar year during which the first lottery was wholly or partly promoted.

**Purpose of lottery**

- A small society lottery may be promoted for any of the purposes for which the promoting society is conducted.

**Minimum distribution for fund-raising purpose**

- The arrangements for a small society lottery must ensure that at least 20% of the proceeds of the lottery are applied to a purpose for which the society is conducted.

**Maximum prize**

- It must not be possible for the purchaser of a ticket in a small society lottery to win by virtue of that ticket (whether in money, money’s worth, or partly the one and partly the other) more than £25,000.

**Rollover**

(1) The arrangements for a small society lottery may include a rollover only if each other lottery which may be affected by the rollover is a small society lottery promoted by or on behalf of the same society.

(2) This paragraph is subject to paragraph 34.

**Tickets**

**Sale of tickets**

- tickets may 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, where street includes any bridge, road, lane, footway, subway, square, court or passage (including passages through enclosed premises such as shopping malls); and

- tickets may be sold from a kiosk, in a shop or door-to-door.
(1) Where a person purchases a lottery ticket in a small society lottery he must receive a document which-

(a) identifies the promoting society,
(b) states the price of the ticket,
(c) states the name and an address of-

(i) a member of the society who is designated, by persons acting on behalf of the society, as having responsibility within the society for the promotion of the lottery, or
(ii) if there is one, the external lottery manager, and

(d) either-
(i) states the date of the draw (or each draw) in the lottery, or
(ii) enables the date of the draw (or each draw) in the lottery to be determined.

(2) For the purpose of sub-paragraph (1) a reference to a person receiving a document includes, in particular, a reference to a message being sent or displayed to him electronically in a manner which enables him to-

(a) retain the message electronically, or
(b) print it.

A licensed or registered society or local authority may employ an external lottery manager (ELM) to run all or part of its lottery. An ELM is defined as someone that is a person or a company who makes arrangements for a lottery on behalf of a society or local authority but is not a member, officer or employee of the society or authority. For more information see the Gambling Commissions website.

Price

(1) The price payable for each ticket in a small society lottery-

(a) must be the same, and
(b) must be paid to the promoter 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.

(2) Membership of the class among whom prizes in a small society lottery are allocated may not be dependent on making any payment (apart from payment of the price of a ticket).

Registration

The promoting society of a small society lottery must, throughout the period during which the lottery is promoted, be registered with a local authority in accordance with Part 5 of this Schedule.
Filing of records

(1) The promoting society of a small society lottery must send to the local authority with which the society is registered under Part 5 of this Schedule a statement of the matters specified in sub-paragraph (2).

(2) Those matters are-

(a) 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),
(b) the proceeds of the lottery,
(c) the amounts deducted by the promoters of the lottery in respect of the provision of prizes (including the provision of prizes in accordance with any rollover),
(d) the amounts deducted by the promoters of the lottery in respect of other costs incurred in organising the lottery,
(e) any amount applied to a purpose for which the promoting society is conducted, and
(f) whether any expenses in connection with the lottery were defrayed otherwise than by deduction from proceeds, and, if they were-
   (i) the amount of the expenses, and
   (ii) the sources from which they were defrayed.

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

(4) The statement must be-

(a) signed by two members of the society who are appointed for the purpose in writing by the society or, if it has one, its governing body, and
(b) accompanied by a copy of the appointment under paragraph (a).

(5) A member signing a statement in accordance with sub-paragraph (4) must be an adult.

(1) If after receiving a statement under paragraph 39 a local authority think that the lottery to which the statement relates was a large lottery, they shall notify the Commission in writing.

(2) A notice under sub-paragraph (1) shall be accompanied by a copy of-

(a) the statement relating to the lottery, and
(b) the statement relating to any other lottery as a result of which the lottery mentioned in paragraph (a) is a large lottery.
REGISTRATION WITH LOCAL AUTHORITY

In this Part "local authority" means-

(a) in relation to England-
   (i) a district council,
   (ii) a county council for a county in which there are no district councils,
   (iii) a London borough council,
   (iv) the Common Council of the City of London, and
   (v) the Council of the Isles of Scilly,
(b) in relation to Wales,
   (i) a county council, and
   (ii) a county borough council, and
(c) in relation to Scotland, a licensing board constituted under section 1 of the Licensing (Scotland) Act 1976 (c. 66).

Application

(1) A society may apply to the relevant local authority for registration under this Part.

(2) An application under this paragraph-
   (a) must be in the prescribed form,
   (b) must specify the purposes for which the society is conducted,
   (c) must contain such other information, and be accompanied by such documents, as may be prescribed, and
   (d) must be accompanied by the prescribed fee.

New application - £40.00
Renewal - £20.00

In relation to the registration of a society, the relevant local authority is the local authority for the area in which the principal premises of the society are situated.

Registration

As soon as is reasonably practicable after receipt of an application under paragraph 42 a local authority shall, subject to paragraphs 47 and 48-

(a) enter the applicant, together with such information as may be prescribed, in a register kept by the authority for the purposes of this Part,
(b) notify the applicant of his registration, and
(c) notify the Commission of the registration.

Gambling Commission

As soon as is reasonably practicable after receipt of notice of a registration under paragraph 44(c) the Commission shall record the registration.

(1) A notice under paragraph 44(c) must be accompanied by such part of the application fee as may be prescribed.
(2) In sub-paragraph (1) "application fee" means the fee accompanying an application under paragraph 42.

Refusal of registration

A local authority shall refuse an application for registration if in the period of five years ending with the date of the application:

(a) an operating licence held by the applicant for registration has been revoked under section 119(1), or
(b) an application for an operating licence made by the applicant for registration has been refused.

A local authority may refuse an application for registration if they think that:

(a) the applicant is not a non-commercial society,
(b) a person who will or may be connected with the promotion of the lottery has been convicted of a relevant offence, or
(c) information provided in or with the application for registration is false or misleading.

A local authority may not refuse an application for registration unless they have given the applicant an opportunity to make representations.

Revocation

(1) A local authority may revoke a registration under this Part if they think that they would be obliged or permitted to refuse an application for the registration were it being made anew.

(2) Where a local authority revoke a registration under this Part they shall specify that the revocation takes effect-

(a) immediately, or
(b) at the end of such period, beginning with the day of the revocation and not exceeding two months, as they may specify.

(2) A local authority may not revoke a registration under this Part unless they have given the registered society an opportunity to make representations.
Appeal

(1) If a local authority refuse or revoke registration under this Part-

(a) the authority shall notify the applicant society or the formerly registered society as soon as is reasonably practicable, and
(b) the society may appeal to a magistrates' court.

(2) An appeal under this paragraph must be instituted-

(a) in a magistrates' court for a local justice area which is wholly or partly within the area of the local authority against whose decision the appeal is brought,
(b) by notice of appeal given to the designated officer, and
(c) in the period of 21 days beginning with the day on which the society is notified of the refusal or revocation of registration, and

(3) On an appeal under this paragraph a magistrates' court may-

(a) affirm the local authority's decision;
(b) reverse the local authority's decision;
(c) make any other order (which may include transitional provision).

(4) In relation to registration in Scotland-

(a) sub-paragraph (1)(b) shall have effect as if the reference to a magistrate's court were a reference to a sheriff whose sheriffdom is wholly or partly within the area of the local authority against whose decision the appeal is brought,
(b) sub-paragraph (2)(a) and (b) shall not have effect, and
(c) sub-paragraph (3) shall have effect as if the reference to a magistrate's court were a reference to the sheriff.

Cancellation

A registered society may apply in writing to the registering authority for the registration to be cancelled.

As soon as is reasonably practicable after receipt of an application under paragraph 52 a local authority shall-

(a) cancel the registration,
(b) notify the formerly registered society of the cancellation, and
(c) notify the Commission of the cancellation.

Annual fee

(1) A registered society shall pay an annual fee to the registering local authority.

(2) An annual fee-

(a) shall be paid within such period before each anniversary of the registration as may be prescribed, and
(b) shall be of the prescribed amount.

(3) If a registered society fails to comply with this paragraph the registering authority may cancel the society's registration.
(4) If a local authority cancel a registration under sub-paragraph (3) the authority shall as soon as is reasonably practicable notify-

(a) the formerly registered society, and
(b) the Commission.

RetentionPolicy

(1) Where a statement is sent to a local authority under paragraph 39 the authority shall-

(a) retain it for at least 18 months,
(b) make it available for inspection by members of the public at all reasonable times, and
(c) make arrangements for the provision of a copy of it or part of it to any member of the public on request.

(2) But a local authority may refuse to provide access or a copy unless the person seeking access or a copy pays a fee specified by the authority.

(4) A local authority may not specify a fee under sub-paragraph (2) which exceeds the reasonable cost of providing the service sought (but in calculating the cost of providing a service to a person the authority may include a reasonable share of expenditure which is referable only indirectly to the provision of that service).

Interpretation: "prescribed"

56 In this Part "prescribed" means prescribed by the Secretary of State by regulations except that, in the following provisions, it means prescribed by the Scottish Ministers by regulations-

(a) in paragraph 42(2)(d), where the application is made to a local authority in Scotland,
(b) in paragraph 46(1), where the local authority giving notice is in Scotland, and
(c) in paragraph 54(2)(b), where the registering local authority is in Scotland.
Distributing lottery tickets by post

(1) The Secretary of State may by regulations impose a condition in relation to exempt lotteries requiring that tickets purchased be delivered to the purchaser by hand at the time of purchase and not by post.

(2) Regulations under this paragraph may apply generally, only in relation to a specified class of lottery or only in specified circumstances.

Rollover

(1) The Secretary of State may by regulations impose in relation to exempt lotteries conditions or limitations in respect of the use of a rollover (in addition to any conditions or limitations set out in this Schedule).

(2) Regulations under this paragraph may apply generally, only in relation to a specified class of lottery or only in specified circumstances.

Other additional information

(1) The Secretary of State may by order impose in relation to a class of lottery a condition (in addition to any specified in this Schedule) with which a lottery must comply if it is to be an exempt lottery within the meaning of this Schedule.

(2) A condition imposed under this paragraph may, in particular, relate to-

(a) the persons who may sell or supply lottery tickets;
(b) the persons who may buy lottery tickets;
(c) the circumstances in which lottery tickets are sold or supplied;
(d) the nature of lottery tickets and information appearing on them;
(e) arrangements for advertising the lottery;
(f) the deductions which promoters may make from the proceeds of a lottery.

(3) The Secretary of State may by order restrict the extent to which a person may carry on activities in reliance on an exemption under this Schedule.

(4) An order under sub-paragraph (3) may, in particular, make provision-

(a) restricting the number of lotteries that may be promoted on behalf of a person wholly or partly within a specified period;
(b) prescribing a minimum interval between activity in connection with one lottery promoted on behalf of a person and activity in connection with another lottery promoted on behalf of that person.

(5) Before making an order under this paragraph the Secretary of State must consult the Commission.

Variation of monetary limits and percentages

60 The Secretary of State may by order vary a monetary amount or a percentage in this Schedule.
GENERAL

Interpretation: advertisement

For the purposes of this Schedule-

(a) "advertisement", in relation to a lottery, includes any document, or electronic communication, announcing that a lottery will take place or inviting people to participate in a lottery (in either case whether or not it also gives other information),

(b) a reference to displaying an advertisement includes a reference to publishing a notice, and

(c) in the case of an advertisement in the form of an electronic communication, the communication is to be treated as being-

(i) distributed to any place at which a person can access it, and

(ii) sent to any premises at which a person can access it.

Interpretation: business

In this Schedule "business" includes trade and profession.

Vessels

Nothing in Part 2 or 3 of this Schedule applies to anything done on a vessel

Societies who run small society lotteries under registration with a local authority and who sell tickets by means of remote communication (internet, telephone etc) will not be required to hold a remote gambling licence issued by the Commission.