



SMALL SOCIETY LOTTERY GUIDANCE NOTES

Small society lotteries are exempt from the requirement to be licensed by the Gambling Commission along with other classes of exempt lotteries. These are incidental non-commercial lotteries, a private society lottery, a work lottery and a resident's lottery (see page 10 for more details of exempt lotteries).

Further information regarding lotteries can be found on the Gambling Commission website: www.gamblingcommission.gov.uk .

Definition of a Lottery

Under the Gambling Act 2005 there are two categories of lotteries, simple and complex.

An arrangement is a simple lottery if:

- persons are required to pay in order 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.

An arrangement is a complex lottery if:

- persons are required to pay in order to participate in the arrangement;
- in the course of the arrangements 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.

Society

A small society lottery must be promoted wholly on behalf of a non-commercial society. S19 of the Gambling Act 2005 (GA05) defines a society as such if it is established and conducted:

- for charitable purposes;

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- for the purpose of enabling participation in, or supporting of, sport, athletics or a cultural activity; or
- any other non-commercial purpose other than that of private gain.

It is inherent in this definition that the society must have been established for one of the permitted purposes, and that the proceeds of any lottery must be devoted to those purposes. It is not permissible to establish a society whose sole purpose is to facilitate lotteries - it must have some other purpose.

Purpose

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

Proceeds

The proceeds of one lottery may not exceed £20,000. The aggregate of proceeds from lotteries promoted wholly or partly during that year may not exceed £250,000.

Maximum Prize

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

Distribution of proceeds

The arrangement 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 promoting society is conducted.

Tickets

There is no price limit on tickets but they must all cost the same, and the possible proceeds must not exceed £20,000.

Tickets:-

- must identify the society;
- state the price of the ticket;
- state the name and an address of 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, if there is one, the external lottery manager;
- either states the date of the draw or enables the date of the draw to be determined.

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Selling of tickets

Tickets may not be sold by any person under the age of 16 years or to any person under the age of 16 years.

Tickets may be sold from a kiosk, in a shop and door to door. They may not be sold in a street, which is defined as including any bridge, road, lane, footway, subway, square, court or passage (including passages through enclosed premises such as shopping malls).

Rollover

A lottery may include a rollover only if each lottery, which is affected by the rollover is also a small society lottery promoted by or on behalf of the same society and the prize does not exceed £25,000..

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. You can download a registration Small Society Lottery form from our web site or follow this link to GA19: www.carlisle.gov.uk/carlislecc/main.asp?page=2285

Under paragraph 47 of Schedule 11, a local authority must refuse an application for registration if, in the previous five years, the applicant has had an application for a gambling operating licence refused or, following a review, has had an existing licence revoked by the Gambling Commission because it thought that

- the licensed activity was being carried out in a manner inconsistent with the licensing objectives;
- a condition of the licence was breached;
- the licensee failed to co-operate with a review; or
- the licensee was unsuitable to carry out the licensed activity.

A gambling operating licence may also be revoked for other reasons but only these reasons constitute a basis on which registration of small society lotteries must be refused.

Under paragraph 48 of Schedule 11, a local authority may also refuse an application if;-

- the applicant is not a non-commercial society;
- a person who will or may be connected with the promotion of the lottery has been convicted of a relevant offence (as defined under section 126 and schedule 7 of the Act; or
- information provided in or with the application for registration is false or misleading.

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Filing of returns

The promoting society must send to the local authority with which the society is registered a statement containing information regarding each lottery. This statement must be supplied to the local authority within the period of three months beginning with the day on which the draw, or last draw, in the lottery takes place.

This statement must be 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 it must be accompanied by a copy of the appointment. It is an offence not to submit a statement for each lottery held. Written records of any unsold or returned tickets should be retained by the society for a period of one year from the date of the lottery draw. Copies of return forms are available on the council website: www.*****

Fees

The initial application fee is £40 and the annual fee, due in the two months before the anniversary of the date of registration, is £20.

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EXEMPT LOTTERIES

Incidental Non-Commercial Lotteries

An incidental lottery may be exempt as long as:-

- The event is non-commercial (there may be no element of private gain)
- It is incidental to the main event
- The tickets are sold on the premises on which the connected event takes place and while the event is taking place
- The results of the lottery are made public while the connected event is taking place

There are limits with regard to the amount of deductions that may be made from the proceeds of the lottery. No more than £500 may be deducted in respect of the cost of the prizes and no more than £100 may be deducted in respect of the costs incurred in organising the lottery.

Private Lotteries

Society Lottery

A 'society' is any group or society (or a single branch or section of a society) established and conducted for purposes not connected with gambling.

A lottery is a private society lottery if

- It is promoted only by authorised member of a society
- Each person to whom a ticket is sold is either a member of the society or on society premises

No advertisement for the lottery may be displayed or distributed except on the society premises, or sent to any other premises.

Work Lottery

A lottery is a work lottery if the promoter(s) work on a single set of premises and each person to whom a ticket is sold also works on the premises.

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

No advertisement for the lottery may be displayed or distributed except on the work premises, or sent to any other premises.

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Resident's Lottery

A lottery is a resident's lottery if the promoter(s) live in a single set of premises and each person to whom a ticket is sold also lives in the residential premises.

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

No advertisement for the lottery may be displayed or distributed except on the work premises, or sent to any other premises.

Ticket requirements

Each ticket in a private lottery must be a document which

- 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 tickets
- Must explain the ticket/prize is not transferable
- Must show the price payable for each ticket (which must be the same)

Customer Lottery

A lottery is a customer lottery if the promoter(s) occupies premises in the course of a business and each person to whom a ticket is sold is on the premises as a customer.

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

No advertisement for the lottery may be displayed or distributed except on the business premises, or sent to any other premises.

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).

Ticket requirements

Each ticket in a customer lottery must be a document which

- Must state the name and address of the promoter of the lottery
- Must specify the class of persons to whom the promoters are willing to sell tickets
- Must explain the ticket/prize is not transferable
- Must show the price payable for each ticket (which must be the same)