

## Gambling Act 2005

### SMALL SOCIETY LOTTERY

#### 1. Types of lottery

Small society lotteries are exempt from the requirement to be licensed by the Gambling Commission in addition to other classes of exempt lotteries.

The exemptions are –

- incidental non-commercial lotteries
- a private lottery eg work lottery or residence lottery
- customer lottery

#### 2. Definition of a lottery

A lottery is an arrangement irrespective of how it is described if it satisfies the description of a lottery below by virtue of s.14 Gambling Act 2005 (“the Act”).

##### Simple Lottery

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

##### Complex Lottery

An arrangement is a complex 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
- the prizes are allocated by a series of processes, and
- the first of those processes relies wholly on chance

#### 3. Definition of a non commercial society

S.19 of the Act defines a society as non-commercial if it is established and conducted –

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

#### 4. Purpose of lottery

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

#### 5. Proceeds

The proceeds from one lottery must not exceed £20,000 or the total income from all the lotteries run by the organisation must not exceed £250,000 in a calendar year. If the operator plans to exceed these values they will be classified as a large lottery and must be licensed with the Gambling Commission.

#### 6. Maximum prize

It must not be possible for the purchases 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.

#### 7. Rollover

A 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.

#### 8. Tickets

The organisation must produce tickets identifying the name of the society, the price of the ticket, the name and an address of the promoter and the date of the draw. The price of the tickets must be the same and 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 allocated.

#### 9. Registration

The promoting society of a small society lottery must, throughout the period during which the lottery is promoted, be registered with the local authority.

#### 10. Refusal of registration

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

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

In addition, a local authority may revoke a registration if they think –

- the applicant is not a non-commercial society

- someone who will or may be connected with the promotion of the lottery has been convicted of a relevant offence; or
- false or misleading information has been provided in connection with the application

## 11. Filing of records

Paragraph 39 of Schedule 11 of The Act sets out information that the Promoting society of a small lottery must send to the local authority with which it is registered following each lottery held. The information that must be submitted is as follows -

- a) the arrangements for the lottery (including dates of which tickets were available for sale or supply, the dates of any draw and the arrangements for prizes (inc any rollover)
- b) the proceeds of the lottery
- c) the amounts to be deducted by the promoters of the lottery in respect of the provision of prizes (including 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

Paragraph 39 also states that the statement must be sent to the local authority during the period of 3 months beginning on the day on which the draw (or the last draw) in the lottery takes place

The statement must be –

- (a) signed by 2 members of the society who are appointed for the purpose in writing by the society or its governing body (if it has one) and
- (b) the statement must be accompanied by a copy of the appointment under para (a)

## 12. Revocation

A local authority may revoke a registration if they later find they would have grounds for refusing the application registration. The local authority can revoke the licence with immediate effect or at a later date but not exceeding 2 months. Registration may not be revoked without giving the society an opportunity to make representations.

### 13. Appeal

If the local authority refuses to register a society or cancels a registration there is a right of appeal to the magistrates court.

### 14. Fees

The initial application fee is £40. The society must pay the annual fee to the local authority or the registration can be cancelled. The annual fee of £20 is due on the anniversary of the date of registration.