

GUIDANCE TO EXEMPT LOTTERIES UNDER THE GAMBLING ACT 2005

There are three types of exempt lotteries, incidental non-commercial lotteries, private lotteries and work lotteries. These are explained in detail below

1: INCIDENTAL NON-COMMERCIAL LOTTERIES

The exemption:

- 1 (1) A lottery is exempt if—
- (a) it is incidental to a non-commercial event within the meaning of paragraph 2 (“the connected event”), **and**
 - (b) the conditions specified in this Part are satisfied.
- (2) A lottery to which sub-paragraph (1) applies is referred to in this Part as an incidental non-commercial lottery.
- 2 An event is non-commercial if no sum raised by the organisers of the event (whether by way of fees for entrance or for participation, by way of sponsorship, by way of commission from traders or otherwise) is appropriated for the purpose of private gain.

Deductions from proceeds:

- 3 The promoters of an incidental non-commercial lottery may not deduct from the proceeds of the lottery more than the prescribed sum in respect of the cost of the prizes (irrespective of their actual cost).
- 4 The promoters of an incidental non-commercial lottery may not deduct from the proceeds of the lottery more than the prescribed sum in respect of costs incurred in organising the lottery (irrespective of the amount of the costs incurred).

Purpose of lottery

- 5 An incidental non-commercial lottery must be promoted wholly for a purpose other than that of private gain.

No rollover

- 6 The arrangements for an incidental non-commercial lottery must not include a rollover.

Connection between lottery and event

- 7 (1) No lottery ticket for an incidental non-commercial lottery may be sold or supplied otherwise than—

- (a) on the premises on which the connected event takes place, and
 - (b) while the connected event is taking place.
- (2) The results of the lottery must be made public while the connected event is taking place.

2: PRIVATE LOTTERIES

The exemption

- 9 (1) A lottery is exempt if—
- (a) it is a private society lottery, a work lottery or a residents' lottery within the meaning of paragraphs 10 to 12, and
 - (b) the other conditions specified in this Part are satisfied.
- (2) In this Part a reference to a private lottery is a reference to a private society lottery, a work lottery or a residents' lottery.

Private society lottery

- 10 (1) A lottery is a private society lottery if—
- (a) it is promoted only by authorised members of a society, and
 - (b) each person to whom a ticket is sold is either a member of the society or on premises wholly or mainly used for the administration of the society or the conduct of its affairs ("society premises").
- (2) In this Part "society" means any group or society established and conducted for purposes not connected with gambling.
- (3) In sub-paragraph (1)(a) "authorised" means authorised in writing by the society or, if it has one, its governing body.
- (4) In relation to a society which has branches or sections, the reference to a society in sub-paragraph (1)(a) is a reference to a single branch or section.

Work lottery

- 11 (1) A lottery is a work lottery if—
- (a) the promoters work on a single set of premises ("the work premises"), **and**
 - (b) each person to whom a ticket is sold or supplied also works on the work premises.
- (2) For the purposes of this paragraph a person works on premises if he—
- (a) is employed under a contract of employment to work at or from the premises,
 - (b) undertakes to work at or from the premises (whether or not for remuneration), or
 - (c) conducts a business at or from the premises.

Residents' lottery

- 12 (1) A lottery is a residents' lottery if—
- (a) the promoters live in a single set of premises ("the residential premises"), and
 - (b) each person to whom a ticket is sold or supplied also lives in the residential premises.
- (2) For the purposes of this paragraph a person lives in premises if he habitually resides in any part of the premises (whether or not there are other premises in which he also habitually resides).

Purpose of lottery

- 13 (1) A private society lottery may be promoted for any of the purposes for which the society is conducted.
- (2) A work lottery or residents' lottery must be organised in such a way as to ensure that no profits are made.

Advertising

- 14 (1) No advertisement for a private society lottery may be—
- (a) displayed or distributed except on the society premises, or
 - (b) sent to any other premises.
- (2) No advertisement for a work lottery may be—
- (a) displayed or distributed except on the work premises, or
 - (b) sent to any other premises.
- (3) No advertisement for a residents' lottery may be—
- (a) displayed or distributed except on the residential premises, or
 - (b) sent to any other premises.

Lottery tickets

- 15 Each ticket in a private lottery must be a document (without prejudice to section 253).
- 16 (1) A ticket in a private lottery may be sold or supplied only by or on behalf of the promoters.
- (2) The rights conferred by the sale or supply of a ticket in a private lottery shall not be transferable (and any purported transfer shall be treated by the promoters of the lottery as being ineffective).
- 17 Each ticket in a private lottery—
- (a) must state the name and an address of each of the promoters of the lottery,
 - (b) must specify the class of persons to whom the promoters are willing to sell or supply tickets, and
 - (c) must explain the condition in paragraph 16(2).

Price

- 18 The price payable for each ticket in a private lottery—
- (a) must be the same,
 - (b) must be shown on the ticket, and
 - (c) must be paid to the promoters 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.

No rollover

- 19 The arrangements for a private lottery must not include a rollover.

3: CUSTOMER LOTTERY

The exemption

- 20 (1) A lottery is exempt if—
- (a) it is promoted by a person (“the promoter”) who occupies premises in Great Britain in the course of a business (“the business premises”),
 - (b) no ticket in the lottery is sold or supplied to a person except at a time when he is on the business premises as a customer of the promoter, **and**
 - (c) the other conditions of a customer lottery specified in this Part are satisfied.
- (2) A lottery to which sub-paragraph (1) applies is referred to in this Part as a customer lottery.
- (3) For the purposes of sub-paragraph (1)(a)—
- (a) it is immaterial whether persons other than the person who occupies the business premises also perform activities which amount to promotion of the lottery in accordance with section 252, but
 - (b) a reference in this Part to the promoter does not include a reference to any of those other persons.
- 21 A customer lottery must be organised in such a way as to ensure that no profits are made.

Advertising

- 22 No advertisement for a customer lottery may be—
- (a) displayed or distributed except on the business premises, or
 - (b) sent to any other premises.

Lottery tickets

- 23 Each ticket in a customer lottery must be a document (without prejudice to section 253).
- 24 (1) A ticket in a customer lottery may be sold or supplied only by or on behalf of the promoter.
- (2) The rights conferred by the sale or supply of a ticket in a customer lottery

shall not be transferable (and any purported transfer shall be treated by the promoter of the lottery as being ineffective).

25 Each ticket in a customer lottery—

- (a) must state the name and an address of the promoter of the lottery,
- (b) must specify the class of persons to whom the promoter is willing to sell or supply tickets, and
- (c) must explain the condition in paragraph 24(2). Price

26 The price payable for each ticket in a customer lottery—

- (a) must be the same,
- (b) must be shown on the ticket, and
- (c) 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.

Maximum prize

27 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).

No rollover

28 The arrangements for a customer lottery must not include a rollover.

Frequency

29 A draw in a customer lottery must not take place during a period of seven days beginning with a previous draw in—

- (a) that customer lottery, or
- (b) another customer lottery promoted on the business premises.