

SCHEDULES

SCHEDULE 11

Section 258

EXEMPT LOTTERIES

PART 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—

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- (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.

Interpretation: “prescribed”

- 8 In this Part “prescribed” means prescribed by the Secretary of State by regulations.

PART 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).

Status: This is the original version (as it was originally enacted).

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.

PART 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.

No profits

- 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.

PART 4

SMALL SOCIETY LOTTERIES

The exemption

- 30 (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.

Status: This is the original version (as it was originally enacted).

- (2) A lottery promoted wholly on behalf of a non-commercial society is referred to in this Part as a small society lottery.
- 31 (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

- 32 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

- 33 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

- 34 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

- 35 (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

- 36 (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.

Price

- 37 (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

- 38 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

- 39 (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,

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- (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.
- 40 (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.

PART 5

REGISTRATION WITH LOCAL AUTHORITY

Local authority

- 41 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

- 42 (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.
- 43 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

- 44 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

- 45 As soon as is reasonably practicable after receipt of notice of a registration under paragraph 44(c) the Commission shall record the registration.
- 46 (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

- 47 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.
- 48 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.
- 49 A local authority may not refuse an application for registration unless they have given the applicant an opportunity to make representations.

Revocation

- 50 (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.

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

Appeal

- 51 (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

- 52 A registered society may apply in writing to the registering authority for the registration to be cancelled.
- 53 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

- 54 (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.

Retention of records

- 55
- (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.
 - (3) 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.

PART 6

POWERS TO IMPOSE ADDITIONAL RESTRICTIONS, &C.

Distributing lottery tickets by post

- 57
- (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.

Status: This is the original version (as it was originally enacted).

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

Rollover

- 58 (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 provision

- 59 (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.

PART 7

GENERAL

Interpretation: advertisement

- 61 For the purposes of this Schedule—

Status: This is the original version (as it was originally enacted).

- (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

62 In this Schedule “business” includes trade and profession.

Vessels

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