

## SCHEDULES

### SCHEDULE 2

Section 14

#### LOTTERIES: DEFINITION OF PAYMENT TO ENTER

##### *Introduction*

- 1 This Schedule makes provision about the circumstances in which an arrangement is to be or not to be treated for the purposes of section 14 as requiring persons to pay in order to participate in an arrangement.

##### *Meaning of payment*

- 2 For the purposes of section 14 and this Schedule a reference to paying includes a reference to—
- (a) paying money,
  - (b) transferring money's worth, and
  - (c) paying for goods or services at a price or rate which reflects the opportunity to participate in an arrangement.
- 3 It is immaterial for the purposes of section 14 and this Schedule—
- (a) to whom a payment is made, and
  - (b) who receives benefit from a payment.
- 4 It is also immaterial for the purposes of section 14 and this Schedule whether a person knows when he makes a payment that he thereby participates in an arrangement.

##### *Stamps, telephone calls, &c.*

- 5 (1) For the purposes of section 14 and this Schedule a reference to paying does not include a reference to incurring the expense, at a normal rate, of—
- (a) sending a letter by ordinary post,
  - (b) making a telephone call, or
  - (c) using any other method of communication.
- (2) For the purpose of sub-paragraph (1)—
- (a) a “normal rate” is a rate which does not reflect the opportunity to enter a lottery, and
  - (b) ordinary post means ordinary first-class or second-class post (without special arrangements for delivery).

##### *Payment to discover whether prize won*

- 6 For the purposes of section 14 and this Schedule a requirement to pay in order to discover whether a prize has been won under an arrangement shall be treated as a requirement to pay in order to participate in the arrangement.

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*Status: This is the original version (as it was originally enacted).*

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*Payment to claim prize*

- 7 For the purposes of section 14 and this Schedule a requirement to pay in order to take possession of a prize which has or may have been allocated to a person under an arrangement shall be treated as a requirement to pay in order to participate in the arrangement.

*Choice of free entry*

- 8 (1) For the purposes of section 14 and this Schedule an arrangement shall not be treated as requiring persons to pay in order to participate if under the arrangement—
- (a) each individual who is eligible to participate has a choice whether to participate by paying or by sending a communication,
  - (b) the communication mentioned in paragraph (a) may be—
    - (i) a letter sent by ordinary post, or
    - (ii) another method of communication which is neither more expensive nor less convenient than entering the lottery by paying,
  - (c) the choice is publicised in such a way as to be likely to come to the attention of each individual who proposes to participate, and
  - (d) the system for allocating prizes does not differentiate between those who participate by paying and those who participate by sending a communication.
- (2) In this paragraph “ordinary post” has the meaning given by paragraph 5(2)(b).

*Power to make regulations*

- 9 Regulations under section 14(7) may, in particular, provide that an activity of a specified kind or performed in specified circumstances is to be or not to be treated as paying to enter a lottery.