

Gambling Act 2005: Society Lotteries Guidance

This part applies to holders of a Gambling Commission society lottery registration under the Lotteries and Amusements Act 1976, and who wish to go on operating a society lottery under the new Act. The same rules would apply to any local authority schemes, but no such schemes are currently registered with the Gambling Commission.

What do I do if my existing registration renewal fee becomes due on or before 31 August 2007?

You should submit your triennial renewal fee to the Gambling Commission in the normal way.

What new permission will I require under the new Act?

The 2005 Act introduces a new lottery operating licence, which will come into effect on 1 September 2007, and will replace the existing system of registrations under the 1976 Act. As with all operating licences under the new Act, both remote and non-remote lottery operating licences will be available. If, in addition to selling tickets face to face, you currently sell tickets to your lottery by telephone, internet or any other remote means, you will need to obtain both a remote and the appropriate non-remote operating licence under the new Act. For the vast majority of society lotteries, it is unlikely that you will need anything more than an ancillary remote lottery operating licence, but further guidance on this will be available from the Gambling Commission. You will also need to obtain any personal licences required by your society. The Gambling Commission will issue guidance to societies about who in your organisation will require a personal licence, and on application procedures.

What will happen to my existing permission on 1 September 2007?

On 1 September 2007, existing registrations with the Gambling Commission, which are current on that date, will be converted automatically into a society lottery operating licence under the new Act. The converted lottery operating licence will expire on the date on which your triennial registration renewal fee under the 1976 Act would have become due.

Converted Society Lottery Operating Licences

What conditions will be attached to my converted society lottery operating licence?

It is important to note that from 1 September 2007 you will be required to abide by all the rules relating to the new lottery operating licences in the new Act, licence conditions and by the Gambling Commission's code of practice for lottery operators. You will be able to find details of the new rules and a copy of the code of practice on the Gambling Commission's website.

Will I continue to have to pay the existing fees for each lottery promoted under the society's registration?

No. The current system of fees for each lottery will be replaced by a simple annual fee to the Gambling Commission. The first such fee will become due within 30 days of the date on which the converted licence is issued by the Gambling Commission. You will also be required to pay a periodic maintenance fee in respect of any personal licences your society is required to hold.

Will I be sent a copy of the converted lottery operating licence?

Yes. The Gambling Commission will also notify you of the new conditions that will be attached to your converted society lottery operating licence.

I currently sell some of my tickets on the society's website or by telephone, will I still be able to do this by virtue of my converted lottery operating licence?

Yes. Your existing registration will be converted into both remote and non-remote lottery operating licences. The converted licences will entitle you to continue only with those activities that you currently undertake by virtue of your registration under the 1976 Act. This restriction will be achieved by conditions attached to the licence.

Will my converted licence mean that I am able to run lotteries up to the proceeds limits in the new Act, in addition to lotteries I may have run earlier in the year up to the proceeds limits in the existing legislation? In other words, will societies be able to run lotteries which generate £10m in proceeds twice in 2007?

No. The transitional arrangements provide that in the calendar year 1 January to 31 December 2007, you will only be able to run lotteries with proceeds of up to £10m.

What happens to lotteries for which tickets were sold prior to 1 September, but which are not completed until after 1 September 2007?

While the requirements are going to be largely the same under old and new legislation, we were conscious that some societies may be running lotteries prior to 1 September 2007, in line with the requirements of the 1976 Act, which won't be completed until after the new Act comes into force. Examples of this include a person who has paid in advance for 52 weeks' entry in a weekly lottery, or a society selling scratch cards which may have been printed some time ago. The transitional arrangements provide that where a ticket or chance in a lottery was sold before 1 September 2007, similar tickets or chances for the same lottery could continue to be sold after that date, provided the lottery is completed by 1 March 2009. From 1 March 2009 all lotteries will need to comply with all the requirements set out in section 99 of the Gambling Act 2005.

Renewing Converted Society Lottery Operating Licences

Will I need to apply for a new lottery operating licence when my converted society lottery operating licence expires?

Yes. Unlike other operating licences, converted lottery operating licences because they are automatic, will only last for a finite period. A converted lottery operating licence will expire on the date on which your triennial registration renewal fee under the 1976 Act would have become due.

When will I need to apply under the 2005 Act for a new lottery operating licence to replace my converted society lottery operating licence?

You should ensure that you apply to the Gambling Commission to replace your converted lottery operating licence at least two months before the date on which it is due to expire (i.e. two months before your triennial renewal fee under the 1976 Act would have become due). It is important to note that if, for example, your triennial registration renewal fee becomes due on 2 September 2007, you should apply under the new Act no later than 2 July 2007. If, in addition to selling tickets face to face, you intend to sell tickets to your lottery by telephone, internet or any other remote means, you will need to obtain a remote, as well as a non-remote, lottery operating licence under the new Act.

Once I renew my converted licence, how long will my new lottery operating licence be valid for?

Lottery operating licences will be of unlimited duration. You will not need to apply again unless your circumstances change. You will, however, continue to have to pay the annual fee to the Gambling Commission.

Will I qualify for continuation rights?

Yes. If you apply at least two months before the expiry date of your converted lottery operating licence, you will continue to be able to run your lottery until such time as your application has been resolved.

Will I qualify for grandfather rights?

No. As with other operating licences, no grandfather rights will apply to society lottery operating licences.

What will I need to submit with my application?

The Gambling Commission has issued its own guidance on application procedures, and what you need to submit with your application. You can find this on the Gambling Commission's website: www.gamblingcommission.gov.uk.

Personal licences

How many personal licences will I need and which people in my society will need them?

The Gambling Commission will issue separate guidance on who in your society requires a personal licence. If you qualify as a small scale operator, you will not need to obtain any personal licences, and the Gambling Commission will also publish advice on the operation of this exemption.

How do I obtain my personal licences?

You should apply to the Gambling Commission between 1 January and 29 June 2007. Information about application procedures and application forms will be available on the Gambling Commission's website.

Will I qualify for continuation rights?

Yes. As long as you apply before 30 June 2007, you will qualify for continuation rights. You will be treated as having been granted a personal licence until such time as your application is determined, even if this is after 1 September 2007.

Society Lotteries – New Operators

This part applies to operators who:

- wish to obtain a first registration as a society lottery with the Gambling Commission before 1 September 2007; and,
- wish to go on operating a society lottery under the new Act.

What do I do if I want to apply for a first registration before 1 September 2007?

You should apply to the Gambling Commission for registration under the 1976 Act in the normal way. If your application is successful, your registration will be granted in the normal way and your next renewal fee will become due three years from the date of registration. As long as you apply on or before 31 August 2007, the Gambling Commission will still be able to resolve your application under the old Act, even if it is not able to do so until after 31 August. You will then be treated like any other existing operator, and your registration will be converted automatically into the relevant society lottery operating licence(s) under the new Act. You will then need to apply to renew your converted lottery operating licence in accordance with the procedure outlined above. You will also need to make applications for the relevant personal licences before 30 June 2007.

What do I do if I want to apply for a first operating licence on or after 1 September 2007?

You must make an application to the Gambling Commission for the relevant lottery operating licence(s) under the 2005 Act.