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1. Introduction

This note explains the legal framework for the conduct of lotteries both pre- and post-April 2016. Anyone who promotes or facilitates a raffle without complying with the Act commits a *criminal offence*. This note explains how a raffle planned will comply with the Act as defined in the Act.

the conduct of raffles and other lotteries under the Gambling Act 2005. Anyone who is prohibited by the Act or does not comply with the Act commits a criminal offence. It is vital to ensure that any raffle planned will comply with the Act. The terms “conduct”, “promote” and “facilitate” are broadly defined in the Act.

We have also included in the note examples of types of raffles run by groups/organizations for the benefit of a *good cause* (i.e. not for private gain). All of those examples comply with the Act. This subfolder also includes a **Checklist** to help you check whether a raffle being planned will be lawful. This note also considers some practical questions that you need to consider for this purpose.

Description of Lawful Raffles. It is important to note that raffles are only run by charities or other organizations for the benefit of a *good cause* (i.e. not for private gain). They will therefore be lawful. The note includes a checklist to help you check whether a raffle being planned will be lawful. It also considers some practical questions that you need to consider for this purpose.

2. The law on lotteries

The Gambling Act 2005 regulates the form of gambling. A lottery is defined as an activity that has three essential elements:

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- (i) Payment is required to participate;
- (ii) One or more prizes are available;
- (iii) The prizes are awarded by chance.

(iii).

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lotteries but, for the purpose of this note, we have concentrated on raffles since raffles are the most common form of lottery in the UK. Raffles, tombolas, and sweepstakes are likely to be lawful.

A prize competition (i.e. based on skill) is not a “lottery”. Such competitions are governed by different rules, and this note does not deal with them.

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3. Change in the law, and background

The Legislative Reform (Exempt Lotteries) Order 2016 (LRO 2016) became law on 3 February 2016. It amended the Gambling Act 2005 which governs lotteries, and the effect of the changes is to allow certain types of lottery which were previously illegal.

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The changes to the law on lotteries in 2016 had strong endorsement from both large and small charities. Before April 2016, due to the restrictive provisions, various groups of supporting charities had been prevented from raising funds for a range of causes, and that this gave rise to many missed opportunities for charities and other good causes.

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One major national charity gave its response to the Government’s consultation about proposed reforms. *“Our supporters have previously expressed an interest in running events such as performances of shows at commercial theatre venues, restaurants or pubs where fund-raising is not permitted under the current regulations.”* Another respondent explained that the law made it impossible in the past for private societies to raise money for charities by running a lottery. *“...Members of private societies that exist for one purpose only, such as a club, can raise money for charities by running a lottery. For example, if one of the members is diagnosed with an illness the other members may wish to raise money for that illness, as an additional means of funding.”*

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4. What was the law until 5 April 2016?

What has this been changed?

The Gambling Act provided that before 6 April 2016, if a lottery was run in accordance with the Act, it was lawful to promote or fund a lottery.

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- Licenced lotteries;
- Exempt lotteries (i.e. those that do not require a licence).

There were, and still are post-April 2016, four main categories of lawful lottery: (i) licensed lotteries; (ii) exempt lotteries (i.e. those that do not require a licence); (iii) private society lotteries; and (iv) work lotteries.

This note deals only with some of the types of lottery permitted by the Gambling Act:

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- (i) pre-6 April 2016 “incidental lotteries” and post-6 April 2016 “incidental lotteries”;
- (ii) “private society lotteries”;
- (iii) “work lotteries”; and
- (iv) “residents’ lotteries”.

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Other types of exempt lottery, “small society lotteries” and “clubs”, that those “small society lotteries” and “clubs” those that we have dealt with in the past, by a business, at its own premises.

The types of lottery at (i)-(iv) do not require a licence or registration but they do require that in each case we will describe how they are permitted to operate from 6 April 2016.

4.1 Incidental lottery

Pre-April 2016 – Incidental Non-Commercial

This is a lottery held at a non-commercial event, such as a social event or school fete etc. The ticket sales and the draw must be held *only* at the event, *not* elsewhere or at any other time. The result must be announced at the event. The net proceeds (less up to £100 for the organiser) must go to the purpose, not private gain, for which the lottery was held.

April 2016 Onwards – Incidental Non-Commercial

This type of lottery is still required to be held at a non-commercial event. Before 6 April 2016, the event itself could be commercial, but this has now been changed so that the event itself must be non-commercial (as may the organisation running it). The proceeds of the lottery itself must go to the charity or good cause, and none may be retained by the organiser.

These changes mean that a lottery can now be held not just at, say, an event run by supporters of a charity or a pub, but also at some other type of event. For example, a pub could hold a raffle for a charity during an evening at the pub. Until the April 2016 changes, the raffle would only have been deemed legally to be incidental to the charity. It is self-evident that the least) for a pub landlord or for a pub, against the entirely proper wish of the pub landlord, to be able to run a raffle and to encourage his customers to buy tickets, lawfully do so unless he in effect restricts his sales of all drinks, food and any other sales during the evening.

See other examples of pre-April 2016 incidental raffles in the **Description of Exempt Lotteries** and the checklist for such lotteries in the **Checklist for Lawful Lotteries**.

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Please also see examples of pr
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checklist for Lawful Raffles.

4.4 Residents' lottery.

Pre-April 2016

This type of lottery could only be
It was subject to similar restri
lotteries were not permitted to
prizes), they were also unsuitab

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ceeds had to be spent on the

April 2016 onwards

The same changes have been
lotteries, allowing residents to ru
partly for prizes for themselves
which is only for prizes for th
restrictions which applied pre-Ap

lottery as those made to work
s a good cause, or one which is
good cause, or, as before, one
under "Work Lottery" for the
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Please also see examples of
Description of Lawful Raffles
Lawful Raffles.

2016 residents' raffles in the
uch raffles in the **Checklist for**

5. Conclusion

If when planning any raffle, you
Description of Lawful Raffles
you to check that you are meet
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a raffle.

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Lawful Raffles, it should be easier for
the Gambling Act 2005 (as now
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For additional guidance on ra
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