

*These notes refer to the Gambling Act 2005 (c.19)
which received Royal Assent on 7 April 2005*

GAMBLING ACT 2005

EXPLANATORY NOTES

TERRITORIAL EXTENT

Territorial limits – vessels and aircraft

Schedule 6: Exchange of information: persons and bodies

Part 5: Operating Licences

Section 98: Lottery operating licences

297. This section provides for the Commission to issue licences for the operation of lotteries. Lotteries which form part of the National Lottery (which are not covered by this Act), or that are classed as “exempt” lotteries under Schedule 11, will not require a licence under these provisions.
298. A lottery operating licence may only be issued to the following:
- non-commercial societies;
 - local authorities; and
 - external lottery managers.
299. Section 18 of the Act contains a definition of “non-commercial society”. A non-commercial society, which wishes to hold lotteries, will only require an operating licence under this section if the proceeds of the lotteries they promote exceed the thresholds set out in Part 4 of Schedule 11 to the Act. Below these thresholds, the lottery will be classified as a “small society lottery”, and will be exempt from the requirement to obtain a licence (although they will require registration with a local authority).
300. The types of local authority which may promote a lottery are broadly defined, and include parish councils in England, and community councils in Wales (*subsection (7)*).
301. *Subsection (2)* allows the Commission flexibility in terms of the scope of operating licences. A licence may authorise promotion generally, or specific promotion activities. It may authorise promotion of lotteries generally, or only in connection with lotteries of certain types or in certain circumstances.
302. A licence may authorise a person to act as an external lottery manager, to provide lottery management services on behalf of local authorities, and on behalf of non-commercial societies, whether licensed or exempt. The Commission has the power to include a condition on a lottery operating licence that all of the arrangements for the lottery are to be made by an external lottery manager. If the Commission does so, it will not be required to form an opinion about the suitability of the local authority or non-commercial society in terms of integrity, competence or financial and other circumstances (under section 70(2)), when considering their application for a licence. Their assessment will be of the lottery manager only. The Commission may similarly

*These notes refer to the Gambling Act 2005 (c.19)
which received Royal Assent on 7 April 2005*

assume the integrity of particular classes of applicant, and, for example, could do so where a local authority is making the application (see section 70(7)).

303. *Subsections (4) and (5)* ensure that it will not be possible to prohibit the delivery of lottery tickets by post in relation to these lotteries, either by regulations made by the Secretary of State, or by conditions made by the Commission. *Subsection (6)* specifically empowers the Commission to attach conditions to the licence concerning rollovers, that is the carry over of prizes from one lottery to another, as defined in Part 11.