



Isle of Man Gambling Control Commissioners

**Sections of the legislation extracted from the Gaming, Betting and Lotteries Act
1988.**

**Whereas the Commission or its officers may assist in any enquiry such assistance
should not be construed as having taken legal advice.**

**If there is any doubts as to a proposed activity or promotion independent and
qualified legal advice is recommended in all cases.**

April 2005

PART III

LOTTERIES

Restrictions on lotteries

28 Illegality of lotteries

[XVI p224/4] Subject to the provisions of this Part, all lotteries which do not constitute gaming are unlawful.

29 Offences relating to lotteries

[XVI p224/5] (1) Subject to the provisions of this section, every person who in connection with any lottery promoted or proposed to be promoted in the Island or elsewhere-

(a) subject to subsection (2), makes, prints, advertises or publishes any tickets for use in the lottery or any proposal, scheme or plan relating to the lottery; or

(b) sells, barter, exchanges or otherwise disposes of, or distributes or offers or advertises for sale or distribution, or has in his possession for the purpose of sale or distribution, any tickets or chances in the lottery; or

(c) prints, publishes or distributes, or has in his possession for the purpose of publication or distribution-

(i) any advertisement of the lottery; or

(ii) any list (whether complete or not) of prize winners or winning tickets in the lottery; or

(iii) any such matter descriptive of the drawing or intended drawing of the lottery, or otherwise relating to the lottery, as is calculated to act as an inducement to persons to participate in that lottery or in other lotteries; or

(d) brings, or invites any person to send, into the Island for the purpose of sale or distribution any ticket in, or advertisement of, the lottery; or

(e) conducts or manages any scheme, contrivance or operation of any kind for the purpose of determining who, or the holder of what lots, tickets, numbers or chances, are the winners of any property proposed to be advanced, lent, given, sold or disposed of by the lottery; or

(f) sends or attempts to send out of the Island any money or valuable thing received in respect of the sale or distribution, or any document recording the sale or distribution, or the identity of the holder, of any ticket or chance in the lottery; or

(g) uses any premises, or causes or knowingly permits any premises to be used, for purposes connected with the promotion or conduct of the lottery; or

(h) causes, procures or attempts to procure any person to do any of the above mentioned acts;
shall be guilty of an offence.

(2) In any proceedings for an offence under subsection (1) it shall be a defence for any person charged to prove-

(a) that the lottery to which the proceedings relate was a lottery declared not to be unlawful by section 30 or 31, and that at the date of the alleged offence he believed, and had reasonable ground for believing, that none of the conditions required by that section to be observed in connection with the promotion and conduct of the lottery had been broken; or

(aa) that the lottery to which the proceedings relate was a lottery declared not to be unlawful by section 1 of the National Lottery Act 1999, and that at the date of the alleged offence he believed, and had reasonable ground for believing, it to be such a lottery; or

[Para (aa) inserted by National Lottery Act 1999 s 3.]

(ab) that the lottery to which the proceedings relate was authorised by a licence under the Online Gambling Regulation Act 2001, and that at the date of the alleged offence he believed, and had reasonable ground for believing, that it was being conducted in accordance with the provisions of that Act and the terms of the licence;

[Para (ab) inserted by Online Gambling Regulation Act 2001 Sch.]

(b) that the lottery to which the proceedings relate was a society lottery, and that at the date of the alleged offence he believed, and had reasonable ground for believing, that it was being conducted in accordance with the requirements of this Part.

(2A) In any proceedings for an offence under subsection (1) it shall be a defence for any person charged to prove-

(a) that the lottery to which the proceedings relate was a lottery which is declared to be not unlawful in Great Britain by section 5(3) (societies' lotteries promoted in Great Britain) of the Lotteries and Amusements Act 1976 (an Act of Parliament),

(b) that the promotion of the lottery was managed by a person registered by the Commissioners under section 33A, and

(c) that at the date of the alleged offence he believed, and had reasonable ground for believing, that it was being conducted in accordance with the requirements of that Act and any regulations for the time being in force under that Act.

[Subs (2A) inserted by Gaming, Betting and Lotteries (Amendment) Act 2001 s 9.]

(3) Proceedings for an offence under subsection (1)(c)(iii) in respect of any matter published in a newspaper shall not be instituted except by, or by direction of, the Attorney General.

(4) This section does not apply to-

(a) the recalling by drawing of lots of any bonds, debentures, shares, stocks or other securities, upon the redemption thereof whether with or without interest or payment of premium or otherwise; or

(b) the division by lot or chance of any estate in land or any moveable property amongst the joint tenants or tenants in common thereof, or amongst other persons having joint interests therein.

Private lotteries

30 Private lotteries

[XVI p224/8; 1974/19/2] (1) In this Part 'private lottery' means lottery in the Island which is promoted for, and in which the sale of tickets or chances by the promoters is confined to, either-

(a) members of one society established and conducted for purposes not connected with gaming, betting or lotteries; or

(b) persons all of whom work on the same premises; or

(c) persons all of whom reside on the same premises; or

(d) in the case of a Christmas draw only, persons working in any licensed premises and bona fide customers using those premises.

(2) In this section 'Christmas draw' means a lottery the tickets or chances in which are not issued except in the months of November and December and the draw in which takes place on or after the 18th December and before the 1st January next. [Subs (2) amended by Gaming, Betting and Lotteries (Amendment) Act 2001 s 4.]

(3) A private lottery is not unlawful if the following conditions are observed in connection with its promotion and conduct-

(a) the whole proceeds, after deducting only expenses incurred for printing and stationery, shall be devoted to the provision of prizes for purchasers of tickets or chances, or, in the case of a lottery promoted for the members of the society, shall be devoted-

- (i) to the provision of such prizes; or
- (ii) to purposes which are purposes of the society; or
- (iii) as to part to the provision of such prizes and as to the remainder

to such purposes;

(b) there shall not be exhibited, published or distributed any written notice or advertisement of the lottery other than-

(i) a notice of it exhibited on the premises of the society for whose members it is promoted or, as the case may be, on the premises on which the persons for whom it is promoted work or reside or (in the case of a Christmas draw) on the licensed premises in question; and

(ii) such announcement or advertisement of it as is contained in the tickets, if any;

(c) the price of every ticket or chance shall be the same, and the price of any ticket shall be stated on the ticket;

(d) every ticket shall bear upon the face of it-

(i) the name and address of each of the promoters,

(ii) a statement of the persons to whom the sale of tickets or chances by the promoters is restricted, and

(iii) a statement that no prize won in the lottery shall be paid or delivered by the promoters to any person other than the person to whom the winning ticket or chance was sold by them,

and no prize shall be paid or delivered except in accordance with that statement;

(e) no ticket or chance shall be issued or allotted by the promoters except by way of sale and upon receipt of its full price, and no money or valuable thing so received by a promoter shall in any circumstances be returned;

(f) no tickets in the lottery shall be sent through the post.

(4) If any of the conditions set out in subsection (3) is contravened, each of the promoters of the lottery, and where the person by whom the condition is broken is not one of the promoters, that person also, shall be guilty of an offence.

(5) It shall be a defence for a person charged with an offence under subsection (4) only by reason of his being a promoter of the lottery to prove that the contravention occurred without his consent or connivance and that he exercised all due diligence to prevent it.

(6) For the purposes of this section, each local or affiliated branch or section of a society shall be regarded as a separate and distinct society.

Small lotteries at entertainments

31 Small lotteries at entertainments

[XVI p224/6; 1974/19/1; 1976/25/1] (1) Where a lottery is promoted as an incident of a bazaar, sale of work, fete, dinner, dance, sporting or athletic event or other

entertainment of a similar character (whether limited to one day or extending over 2 or more days), that lottery is not unlawful if the conditions set out in subsection (2) are observed in connection with its promotion and conduct.

(2) The conditions referred to in subsection (1) are-

(a) that the whole proceeds of the entertainment (including the proceeds of the lottery) after deducting-

(i) the expenses of the entertainment, excluding expenses incurred in connection with the lottery;

(ii) the expenses incurred in printing tickets in the lottery; and

(iii) such sum (if any), not exceeding £50, as the promoters of the lottery think fit to appropriate on account of any expenses incurred by them in purchasing prizes in the lottery;

shall be devoted to purposes other than private gain;

(b) that none of the prizes in the lottery shall be a money prize;

(c) that tickets or chances in the lottery shall not be sold or issued, nor shall the result of the lottery be declared, except on the premises on which the entertainment takes place and during the progress of the entertainment; and

(d) that the facilities for participating in lotteries, or those facilities together with any other facilities for participating in lotteries or gaming, shall not be the only, or the only substantial, inducement to persons to attend the entertainment.

(3) If any of the conditions set out in subsection (2) is contravened in relation to any lottery, every person concerned in the promotion or conduct of that lottery shall be guilty of an offence.

(4) In any proceedings for an offence under subsection (3) it shall be a defence for any person charged to prove that the contravention occurred without his consent or connivance and that he exercised due diligence to prevent it.

(5) The Commissioners may by order substitute, in relation to entertainments held on or after the date when the order comes into operation, for the amount specified in subsection (2)(a)(iii) such other amount as may be specified in the order.

Society lotteries

32 Exemption of society lotteries

[XIX p32/1; XXI p225/1; 1976/25/2; 1980/1/1/239; 1980/10/1] (1) 'In this Part 'society lottery' means a lottery (other than a lottery which is declared not to be unlawful by any other provision of this Part) which is promoted in the Island on behalf of a registered society for raising money to be applied for the purposes of the society.

(2) In this Part 'registered society' means a society which is-

(a) established and conducted wholly or mainly for one or more of the following purposes-

(i) charitable purposes;

(ii) participation in or support of athletic sports or games or cultural activities;

(iii) purposes which are not within sub-paragraph (i) or (ii) but are neither purposes of private gain nor purposes of any commercial undertaking; and

(b) registered by the Commissioners under section 33.

(3) A society lottery is not unlawful if the following conditions are observed in connection with the promotion and conduct of the lottery, that is to say-

(a) the promoter of the lottery shall be a member of the society authorised in writing by the governing body of the society to act as such;

(b) no remuneration shall be paid in respect of the lottery to the promoter or to any person employed by him in connection therewith who carries on a betting business or is otherwise engaged by way of business in the organisation of betting;

(c) no ticket or chance shall be sold at a price exceeding £1;

[Para (c) substituted by Gaming, Betting and Lotteries (Amendment) Act 2001 s. 6.]

(ca) no prize (except a jackpot prize authorised under subsection (4A)) shall exceed £2,000 in amount or value;

[Para (ca) inserted by Gaming, Betting and Lotteries (Amendment) Act 2001 s. 6.]

(cb) no jackpot prize authorised under subsection (4A) shall exceed £10,000 in amount or value;

[Para (cb) inserted by Gaming, Betting and Lotteries (Amendment) Act 2001 s. 6.]

(d) the whole proceeds, after deducting sums lawfully appropriated on account of expenses or for the provision of prizes, shall be applied to purposes of the society, being purposes described in subsection (2)(a);

(e) the amount of the proceeds appropriated on account of expenses shall not exceed the expenses actually incurred, or 15 per cent. of the whole proceeds, whichever is the less, and the amount of the proceeds appropriated for the provision of prizes shall not exceed one-half of the whole proceeds;

(f) the price of every ticket or chance shall be the same, and the price of any ticket shall be stated on the ticket;

(g) the total value of the tickets or chances sold shall not exceed £7,500, and if on any day on which tickets or chances in the lottery are on sale, tickets or chances are on sale in another lottery to which this section applies promoted on behalf of the society, the total value of the tickets or chances sold in those lotteries taken together shall not exceed £7,500;

[Para (g) amended by SD347/97.]

(h) no written notice or advertisement of the lottery shall be exhibited, published or distributed, and no notice or advertisement of the lottery shall be included in a programme service (within the meaning of the Broadcasting Act 1993), except-

(i) a notice or advertisement exhibited on the premises of the society, or published or distributed exclusively or solely to members of the society;

(ii) such notice or advertisement as may be contained in the tickets, if any;

(iii) a notice or advertisement of such a description, and complying with such conditions, as may be prescribed;

[Para (h) substituted by Gaming, Betting and Lotteries (Amendment) Act 2001 s 5.]

(i) every ticket shall specify the name of the society, the name and address of the promoter, and the date on which the draw, determination or event by or by reference to which the prize-winners are ascertained will take place;

[Para (i) substituted by Gaming, Betting and Lotteries (Amendment) Act 2001 s 5.]

(ia) every notice or advertisement of the lottery lawfully exhibited, distributed or published (other than such notice or advertisement as may be contained in the tickets, if any) shall contain such information as may be prescribed;

[Para (ia) inserted by Gaming, Betting and Lotteries (Amendment) Act 2001 s 5.]

(j) no ticket shall be sent through the post to a person not being a member of the society;

(k) no person shall be admitted to participate in the lottery in respect of a ticket or chance except after payment to the promoter of the whole price of the ticket

or chance, and no money received by the promoter for or on account of a ticket or chance shall in any circumstances be returned;

(l) no payment on account of expenses or prizes shall be made out of moneys of the society not being proceeds of the lottery;

(m) no ticket or chance shall be sold by or to a person aged less than 16 years; and

(n) upon a prize winner being ascertained he shall be notified of the event and such notice shall include particulars of the time and manner in which the prize can be claimed.

(4) Subject to subsection (4B), the Commissioners may vary the conditions imposed by subsection (3)(c), (ca), (cb) and (g) in their application to a society lottery, to such extent and subject to such conditions as the Commissioners may determine.

[Subs (4) substituted by Gaming, Betting and Lotteries (Amendment) Act 2001 s 6.]

(4A) Subject to subsection (4B), the Commissioners may authorise a registered society, subject to such conditions as the Commissioners may determine, to promote a series of society lotteries in which a jackpot prize or prizes may be given.

[Subs (4A) inserted by Gaming, Betting and Lotteries (Amendment) Act 2001 s 6.]

(4B) Subsections (4) and (4A) do not apply to a society lottery unless-

(a) it is promoted on behalf of a registered society, being a society established and conducted wholly or mainly for charitable purpose, and

(b) the whole proceeds of the lottery, after deducting sums lawfully appropriated on account of expenses or for the provision of prizes, are to be devoted to a charitable purpose.

[Subs (4B) inserted by Gaming, Betting and Lotteries (Amendment) Act 2001 s 6.]

(5) If any condition required by subsection (3), or by the Commissioners under subsection (4), to be observed in respect of a lottery is contravened, the promoter of the lottery and any other person who is party to the contravention shall be guilty of an offence.

(6) It shall be a defence for a person charged with an offence under subsection (5) only by reason of his being the promoter to prove that the contravention occurred without his consent or connivance and that he exercised all due diligence to prevent it.

(7) It shall be a defence for any person charged with an offence under subsection (5) in respect of an appropriation or payment made in contravention of subsection (3)(e) or (l) to prove-

(a) that the proceeds of the lottery fell short of the sum reasonably estimated,

(b) that the appropriation or payment was made in respect of expenses actually incurred or in order to fulfil an unconditional undertaking as to prizes given in connection with the sale of the relevant tickets or chances, and

(c) that the total amounts appropriated or paid in respect of expenses and prizes did not exceed the amounts which could lawfully have been appropriated out of the proceeds of the lottery under subsection (3)(e) if the said proceeds had amounted to the sum reasonably estimated.

(8) For the purposes of this section, tickets or chances in a lottery shall be deemed to be on sale on each day between the dates on which such tickets or chances are first and last sold, whether or not any such ticket or chance is sold on that day.

(9) The Commissioners may by order substitute, in relation to a lottery promoted after the date on which the order comes into operation, for any amount specified in this section such other amount as may be specified in the order.

33 Registration of societies

[XIX p32/2; 1976/25/3] (1) An application for the registration of a society under this section shall be made to the Commissioners and shall specify the purposes for which the society is established and conducted: and subject to the provisions of this section, the Commissioners shall, upon application duly made on behalf of a society and on payment of a fee of £5, register the society in a register kept for the purpose, and notify the society in writing that it has done so.

(2) The Commissioners, after giving the society concerned an opportunity of being heard, may refuse to register a society under this section, or cancel the registration of a society under this section, if it appears to it-

(a) that any person has been convicted of an offence committed in connection with a lottery promoted or proposed to be promoted on behalf of the society; or

(b) that the society is not or has ceased to be a society on behalf of which lotteries may be promoted under section 32.

(3) Where registration has been refused or revoked under this section, the Commissioners shall forthwith notify the secretary of the society of the refusal or revocation, and the society may, within 21 days of the giving to it of such notice, appeal to the High Court in accordance with Schedule 4.

(4) A society which is for the time being registered under this section may at any time apply to the Commissioners for the cancellation of the registration; and the Commissioners shall cancel the registration accordingly.

(5) Every society which is registered under this section shall pay to the Treasury on the 1st January in each year while it is so registered a fee of £5, and, if any such fee remains unpaid at the end of that month, the registration of the society shall be cancelled forthwith.

(6) The Treasury may by order substitute for any amount specified in this section such other amount as may be specified in the order.

33A Registration of managers of British societies' lotteries

(1) An application for the registration under this section of a person as the manager of a lottery referred to in section 29(2A)(a) shall be made to the Commissioners and shall specify-

(a) the name and address of the applicant;

(b) the name and address of the society by which the lottery is promoted,

(c) the purposes for which the society is established and conducted;

(d) the name and address of the registration authority with which the society is registered under Schedule 1 to the 1976 Act or, as the case may be, that the society is registered with the Gaming Board for Great Britain under Schedule 1A to that Act;

(e) where the applicant is a person mentioned in section 9A(1)(e) of that Act, the name and address of the person certified under Schedule 2A to that Act by whom he is employed; and

(f) the name and address of a person resident in the Island (who may be the applicant) who is occupying a position of responsibility in relation to the promotion of the lottery in the Island.

(2) The application shall have attached to it-

(a) a copy of the scheme approved under section 5(3)(c) of the 1976 Act which relates to the lottery,

(b) where the applicant is a person mentioned in section 9A(1)(d) or (e) of that Act, a copy of the current certificate issued under Schedule 2A to that Act to the applicant or to the person by whom he is employed, as the case may be; and

(c) a statement in writing signed by the person specified in the application under subsection (1)(f) that he understands that he will be liable under section 37A(8) to pay any society lottery duty, and to make any payments on account of society lottery duty, in respect of the lottery.

(3) Subject to the provisions of this section, the Commissioners shall, on application duly made under subsection (1) and on payment of a fee of £50, register the applicant in a register kept for the purpose, and notify the applicant in writing that they have done so.

(4) The Commissioners, after giving the person concerned an opportunity of being heard, may refuse to register an applicant as manager of a lottery, or revoke the registration of the manager of a lottery, if it appears to them-

(a) that any person has been convicted of an offence committed in connection with a lottery promoted or proposed to be promoted on behalf of the society;

(b) that the society is not or has ceased to be a society on behalf of which lotteries may be promoted under the 1976 Act;

(c) the applicant or manager is not or has ceased to be qualified to manage the lottery under section 9A(1) of that Act; or

(d) that the person specified in the application under subsection (1)(f)-

(i) is not or has ceased to be resident in the Island;

(ii) does not occupy, or has ceased to occupy, a position of responsibility in relation to the promotion of the lottery in the Island; or

(iii) is unlikely, or has failed, to discharge his liability under section 37A(8) in relation to that or any other lottery.

(5) Where registration has been refused or revoked under this section, the Commissioners shall forthwith notify the person concerned and the society in respect of whose lottery he is registered of the refusal or revocation, and that person or that society may, within 21 days of the giving to it of such notice, appeal to the High Court; and Schedule 4 applies, with any necessary modifications, to an appeal under this subsection as it applies to an appeal under section 33(3).

(6) Where a person is for the time being registered under this section, that person, or the society in respect of whose lottery he is registered, may at any time apply to the Commissioners for the cancellation of the registration; and the Commissioners shall cancel the registration accordingly.

(7) Every person who is registered under this section shall pay to the Treasury on the 1st January in each year while he is so registered a fee of £50, and, if any such fee remains unpaid at the end of that month, the registration of the society shall be cancelled forthwith.

(8) The Treasury may by order substitute for any amount specified in this section such other amount as may be specified in the order.

(9) In this section 'the 1976 Act' means the Lotteries and Amusements Act 1976 (an Act of Parliament).

[S 33A inserted by Gaming, Betting and Lotteries (Amendment) Act 2001 s 9.]

33B Exemption for British societies' lotteries

A lottery is not unlawful if-

(a) it is declared to be not unlawful by section 5(3) (societies' lotteries promoted in Great Britain) of the Lotteries and Amusements Act 1976 (an Act of Parliament),

(b) the promotion of the lottery is managed by a person registered by the Commissioners under section 33A, and

(c) it is being conducted in accordance with the requirements of that Act and any regulations for the time being in force under that Act.

[S 33B inserted by Gaming, Betting and Lotteries (Amendment) Act 2001 s 9.]

34 Returns etc to be made by promoters

[XIX p32/3] (1) The promoter of a society lottery shall, not later than the end of one month after the month in which the winners of prizes in the lottery are ascertained, deliver to the Commissioners a return, certified by a member of an approved accounting body, showing-

(a) the whole proceeds of the lottery;

(b) the sums appropriated out of the proceeds on account of expenses and on account of prizes respectively;

(c) the particular purpose or purposes to which proceeds of the lottery were applied in pursuance of section 32(3)(d), and the amount applied for that purpose, or for each of those purposes, as the case may be;

(d) the dates between which tickets or chances in the lottery were sold;

(e) the number of tickets or chances-

(i) printed;

(ii) sold; and

(iii) unsold.

(2) The promoter of a society lottery shall, if so required by the Commissioners by a notice in writing, deliver to the Commissioners within 14 days of the date of such notice-

(a) particulars in writing accounting for all tickets or chances unsold; and

(b) all such books, vouchers, unsold tickets and other documents relating to the lottery as may be specified in the notice.

(3) The Commissioners shall preserve any return or written account sent to it under this section for a period of at least one year, and during that period shall keep it deposited at the Commissioners' office and permit any member of the public, to inspect it during office hours free of charge.

(4) Any person who-

(a) fails to deliver a return or written account, or any book, voucher, unsold ticket or other document in accordance with the provisions of this section, or

(b) knowingly gives in any return or account delivered by him thereunder any information which is false or misleading, or

(c) certifies any return to be delivered under this section knowing it to contain any such information, shall be guilty of an offence.

(5) It shall be a defence for any person charged with an offence of failing to comply with any of the requirements of a notice given under subsection (2) to prove that any book, voucher, unsold ticket or other document specified in the notice is in the possession of another person and that he has taken all reasonable steps to recover it.

34A Society lotteries played as games

A society lottery is not unlawful if-

(a) it is played as a game, and

(b) it complies with such conditions as may be prescribed.

[S 34A inserted by Gaming, Betting and Lotteries (Amendment) Act 2001 s 8.]

Public lotteries

35 Public lotteries

[1981/26/1] A lottery promoted by the Treasury in accordance with the Public Lotteries Act 1981 is not an unlawful lottery.

36 Government securities

[XVIII p762/1] No security issued by or under the authority of the Government, or the Government of the United Kingdom, is an unlawful lottery by reason of any use or proposed use of chance to select particular securities for special benefits if the terms of the issue provide that the amount subscribed is to be repayable in full in the case of all the securities.