

LOTTERY SCHEMES, GENERAL RULES

1. The following shall be posted in a conspicuous place in the premises designated for the conduct and operation of a lottery event:
 - (a) a copy of the current licence authorizing the lottery and any amendments for the licence;
 - (b) related schedules;
 - (c) house rules; and
 - (d) notices and posters, as required by the division.
2.
 - (1) With the exception of charities, registered with the Charities Division of the Canada Revenue Agency, licensees shall open and maintain a separate designated lotteries trust account in a financial institution authorized to take deposits and to administer proceeds of the money derived from lottery schemes.
 - (2) Registered charities shall maintain separate lottery accounting records which shall include deposit books, journals and ledgers.
3. In administering the trust account the licensee shall appoint a minimum of 2 signing officers, who shall be members of the licensee and who shall write cheques on behalf of the licensee.
4. The licensee shall reconcile the trust account on a monthly basis, or as activity permits.
5.
 - (1) Cash proceeds from lotteries shall be deposited into the licensee's trust account immediately upon receipt.
 - (2) The licensee shall not deposit money received from any other sources other than lottery activity into the trust account, transfer funds by any means from the trust account into an operating or general account of the licensee or close the trust account until all money has been used for the approved charitable or religious object or purpose .
6. Any interest accrued on the trust account shall be used for the charitable or religious object or purpose of the licensee.
7. Where a lottery is conducted on the occasion of, or in conjunction with some other lawful activity, such as a dinner, dance, entertainment, fashion show etc. the percentage of the overall event revenues that are derived from lotteries shall be deposited in the trust account as reported, and used only for authorized purposes.
8.
 - (1) All expenses incurred as a result of conducting the lottery shall be deducted and paid out from gross receipts derived from the lottery.
 - (2) Unless there is negative revenue, the licensee shall use no money from any other source to pay for lottery expenses.
9.
 - (1) The licensee shall maintain the division's financial records that relate to the licensed lottery, or a similar version that is approved by the division.
 - (2) In addition the licensee shall maintain books and other documents in support of all financial records and reports.
 - (3) The licensee shall obtain receipts for each expense incurred.
 - (4) These records shall be kept up to date and be retained for no less than 6 years from the expiry date of the licence.
10. A peace officer as defined by the *Criminal Code*, or an official of the division, shall be given unencumbered access to all areas of a premises on which a lottery scheme is taking place and, the officer or official shall be given unencumbered access at any reasonable time to all records pertaining to a lottery scheme, including the records of any commercial agent, and if considered necessary to remove the records from a premises.
11.
 - (1) When requested the licensee shall deliver to the division, or permit the removal of, the licensee's books, records and other documents that would be requested.
 - (2) Where the licensee refuses access or does not produce as requested, records or documents, the division may suspend or revoke licences.
12. The division may require the licensee to provide audited statements in accordance with guidelines established by the division.
13. A lottery event shall be conducted in a suitable premises as approved by the division.
14.
 - (1) All equipment used in the conduct of a lottery shall be located in an area visible to the players.
 - (2) Equipment shall be maintained in good working condition and shall be made available for inspection, upon request.
15. The licensee shall comply with all federal, provincial and municipal laws.
16. In any licensed lottery scheme, the chances of winning shall be equal for all players or participants.
17.
 - (1) A licensee shall not enter into a contract or agreement, written or verbal, implied or stated, for the supply or purchase of goods or services, unless the method of payment is fixed and pre-determined.
 - (2) Payment terms based upon a percentage or commission shall not be allowed.
 - (3) Excluded are commissions paid on ticket entry sales.
18. The licensee shall not offer as a prize, tickets for a proposed future lottery.
19.
 - (1) The *Liquor Control Act* precludes the

- granting of alcohol as prizes to any person under the age of 19 years.
- (2) It is an offence under the *Tobacco Control Act* to give tobacco as a prize to a person under the age of 19 years.
- (3) A prize of a firearm shall not be given to a person who is not authorized under the *Firearms Act* (Canada) to possess a firearm.
20. (1) The licence number shall be shown on all advertising.
- (2) Advertising outside of the province is not permitted unless a licence is held in that province in accordance with subsection 207(1)(f) of the *Criminal Code*.
21. The division may require verification by affidavit, or the posting of a bond or satisfactory guarantee of the payment of a prize.
22. Any changes or amendments to the licence shall be requested in writing and may be authorized by the division.
23. (1) Where a licensed lottery scheme does not proceed as scheduled, the division shall be notified immediately.
- (2) The licensee shall then comply with any additional instructions as to handling or disposition of proceeds collected, or any other matter concerning the lottery or the licence.
24. A licence period shall not exceed 12 months unless expressly authorized by the division.
25. The conduct and management of a lotteries scheme shall not be delegated to another organization or to a person who is not a member of the licensed organization, without the approval of the division.
26. A licence is not transferable.
27. (1) When required a financial report shall be submitted to the division within 60 days after the expiry date of the licence or as demanded.
- (2) The report shall be accompanied with applicable fees for lottery licensing schemes in accordance with the following schedule:
- (a) **BINGO** - Where a financial report is required, a licence fee shall accompany the report in the amount of 1% of the total amount of the retail value of prizes and cash given as prizes;
- (b) **BREAKOPEN** - A licence fee shall accompany the financial report in the amount of \$10 a box/unit or part box/unit of breakopens sold;
- (c) **BINGO/BREAKOPEN** - For the bingo lottery, a licence fee shall accompany the report in the amount of 1% of the total amount of the retail value of prizes and cash given as prizes; the licence fee for breakopens is \$10 a box/unit or part box/unit of breakopens sold;
- (d) **TICKET** - Where a financial report is required, a licence fee shall

accompany the report in the amount of 1% of the total amount of the retail value of prizes and cash given as prizes;

- (e) **GAMES OF CHANCE** - Where a financial report is required, a licence fee shall accompany the report in the amount of 1% of the total amount of the retail value of prizes and cash given as prizes except in the case of a wheel of fortune a fee of \$5 for each wheel per event and in the case of a game of chance a fee of \$5 for each game per event;
- (f) **MONTE CARLO** - A licence fee shall accompany the financial report in the amount of 1% of the total amount of the retail value of prizes and cash given as prizes except in the case of a wheel of fortune a fee of \$5 for each wheel per event and in the case of a table game a fee of \$5 for each game per event and in the case of a monte carlo game a fee of \$5 for each game per event; and
- (g) **SPORTS** - A licence fee shall accompany the financial report in the amount of 1% of the total amount of the retail value of prizes and cash given as prizes.

SCHEDULES

28. A licensed bingo lottery scheme shall be conducted and managed in accordance with the rules as contained in Schedule A.
29. A licensed breakopen lottery scheme shall be conducted and managed in accordance with the rules as contained in Schedule B.
30. A licensed bingo/breakopen lottery scheme shall be conducted and managed in accordance with the rules as contained in Schedule C.
31. A licensed ticket lottery scheme shall be conducted and managed in accordance with the rules as contained in Schedule D.
32. A licensed games of chance lottery scheme shall be conducted and managed in accordance with the rules as contained in Schedule E.
33. A licensed monte carlo lottery scheme shall be conducted and managed in accordance with the rules as contained in Schedule F.
34. A licensed sports ticket lottery scheme shall be conducted and managed in accordance with the rules as contained in Schedule G.

1. The operation of a games of chance lottery shall not exceed a period of 12 hours in any 24 hour period and shall be conducted in a suitable premises, as defined by the minister.

while involved in the sale of tickets or the direct operation of a game of chance.
2. The combined total of wheels and games shall not exceed 15 at any one event unless expressly authorized by the division.
3. During the operation of a wheel, no player shall wager a bet in excess of \$10 on any one spin of a wheel.
4. The operator shall announce the cutoff of bets before spinning the wheel.
5. The wheel shall complete a minimum of 3 full revolutions to count as a spin.
6. Instant win merchandise games shall be operated within the following guidelines:
 - (a) a maximum of 5,000 tickets a game;
 - (b) a maximum price of \$1 a ticket;
 - (c) tickets shall consist of numbers, not symbols, individually serial numbered for each game; and
 - (d) each licensee shall clearly display a visible sign showing the number and type of prizes to be awarded with each game, all winning numbers, and the name of the licensee.
7. Ticket raffles sales shall be confined strictly to the premises of the licensee. Sales of tickets shall be sold and the draw conducted on the same day. The combined potential prize payout shall not exceed \$500 a raffle. Each ticket shall consist of two sections, each severable from the other, with both sections containing the same ticket number that is distinct from other tickets in the draw.
8. The total value of tickets sold for a ticket raffle shall not exceed 12 times the total retail value of the prizes.
9. The total value of prizes for a card game cannot exceed \$500 per event.
10. Cashing of cheques or granting of credit is forbidden during play.
11. A person shall not purchase tickets or place bets

2006 12 06

PERMITTED POKER GAMES

Recently there has been a lot of interest in poker tournaments, particularly Texas Hold-em.

Under our regulations a poker tournament is permitted under a **Games of Chance Licence** as long as the total prize payout for the event does not exceed \$500.

Under a **Monte Carlo Licence** an organization can have poker tables as long as they are in conjunction with other Monte Carlo games. A licence will not be issued for a Monte Carlo event where the only activity will be poker. Organizations are also not permitted to apply for a Monte Carlo licence in which they state they will have other games with poker tables, and then during the event only operate the poker tables. For a licence to be approved, the ratio of table games and wheels to poker tables must be at least 3 to 1. For example if you have 2 blackjack tables and 1 wheel you can have 1 poker table or if you have 2 blackjack tables, 1 wheel and 3 roulette tables you can have 2 poker tables.

A licence will not be issued for a Games of Chance or Monte Carlo event where the location of the event will be a commercial bar or tavern. Some commercial bars and taverns have attached to their clubs or taverns a separate room that is used for special events. This type of room may be considered a suitable location for a tournament if the following conditions are met:

1. The room has its own outside entrance;
2. The room is not accessible from the bar or tavern during the event;
3. No alcoholic beverages are served during the event unless the charitable organization conducting the event have their own special events liquor licence.

It is our opinion that it is illegal for bars or similar establishments to conduct Texas Hold-em tournaments and it is suggested that such establishments seek legal advice regarding Sections 201 and 206 of the *Criminal Code*.

For more information on poker games please contact our office at (709)729-2660.

Games of Chance

Lottery Financial Report (F/R)

Office use only Organization RSN _____
 Trust Account RSN _____
 Folder RSN _____
 Entered _____

Licencee	Licence Information
Organization Name: _____ Mailing Address: _____ City/Town: _____ Province: _____ Postal Code: _____ Phone: _____ Fax: _____ Email: _____	Licence Number: _____ Report Period: From: _____ To: _____
Use of Proceeds	
Provide detailed as to how proceeds were used: (Attach a separate sheet if necessary.) _____ _____ _____	
To be signed by a Principal Officer of the Organization & the Person Completing this financial report.	
We certify that this Financial Report and all accompanying documents are true and correct statements regarding the above lottery activity.	
<div style="text-align: center; font-weight: bold; margin-bottom: 10px;">Principal Officer</div> Name: _____ Position: _____ Phone (W): _____ Phone (H): _____ Email: _____ Signature: _____ Date: _____	<div style="text-align: center; font-weight: bold; margin-bottom: 10px;">Person Completing Financial Report</div> Name: _____ Position: _____ Phone (W): _____ Phone (H): _____ Email: _____ Signature: _____ Date: _____
Financial Report can be dropped off at any Government Service Centre; mailed to Consumer and Financial Services Division, Motor Registration Building, 149 Smallwood Drive, Mount Pearl, NL P.O. Box 8700 A1B 4J6. Faxed to (709)729-6998 or emailed to appsconsumeraffairs@gov.nl.ca For inquiries contact Consumer Affairs toll free at 1-877-968-2600 or locally (Mount Pearl) at 709-729-2660. <div style="text-align: center;"> Regional Office Contact Numbers: Corner Brook (709) 637-2445 </div>	
Licence fee is 1% of the amount of retail value of prize paid out during a card game or \$5 per each wheel or game per event. The Financial Report is to be signed by a principal officer of your organization. i.e. president, vice president, treasurer. Make cheques payable to "Newfoundland Exchequer". Keep a copy of this report for your records. The Financial Report is due 60 days after the expiry date of your licence. If stated on the back of your licence. Failure to file a Financial Report may affect your organization's ability to obtain future licences. All records for the lottery must be retained for a period of 6 years after the expiry date of your licence.	

Games of Chance Lottery Financial Report

Event Information		
Total Number of Events	_____	
Total Number of Ticket Wheels per Event	_____	
Total Number of Crown and Anchor Wheels per Event	_____	
Total Number of Over and Under Wheels per Event	_____	
Total Number of Other Wheels per Event	_____	
Total Number of Instant Win Merchandise Games per Event	_____	
Total Number of Games of Chance per Event	_____	
Gross Proceeds (Total Sales)		
Card Games		
Ticket Wheels	\$ _____	
Over and Under Wheels	_____	
Other Wheels	_____	
Crown and Anchor Wheels	_____	
Instant Win Merchandise Games	_____	
Other Games of Chance	_____	
Ticket Raffles	_____	
Value of Donate Prize (Retail Value Less Purchase Price)	_____	
Total Gross Proceeds		\$ _____ (A)
Prize Payouts		
Card Gamess	\$ _____	
Ticket Wheels	_____	
Card Games	_____	
Instant Win Merchandise Games	_____	
Other Wheels	_____	
Ticket Raffles	_____	
Total Prize Payout		\$ _____ (B)
Expenses		
Licencing Fees (See reminder section on front page)	\$ _____	
Gaming Supplies	_____	
Advertising	_____	
Rent/Utilities	_____	
Salaries/Commissions	_____	
Professional Fees	_____	
Equipment Lease/Rent	_____	
Administration	_____	
Other _____	_____	
Total Expenses		\$ _____ (C)
Net Proceeds For Charity		\$ _____ (D)
(Total Gross Proceeds less Total Prize Payout and Total Expenses: A - B - C = D)		