

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.