

## **<sup>1</sup>Executive Order on not-for-profit lotteries**

The following is hereby laid down pursuant to Sections 10(2) and 60 of Act No. 848 of 1 July 2010 on gaming:

### Chapter 1

#### *Licences*

**Section 1.** Licences for not-for-profit lotteries may be issued by the National Gaming Authority to an association, institution or committee comprising at least three persons; cf. Sections 4 and 10 of the Act.

*Paragraph 2.* Licences may not be issued to not-for-profit lotteries where the winnings are produced on the basis of some individual numbers or marks selected by the player, or where the lottery is held using machines or electronic terminals.

*Paragraph 3.* Lotteries on a national radio or television programme with the aim of raising money may, without prejudice to paragraph 2, be held using machines or electronic terminals.

**Section 2.** Licences may only be issued for a time-restricted lottery. The period for the sale of tickets, game boards, etc. may not exceed two months.

*Paragraph 2.* By way of exception, however, licences may be issued for the tickets, game boards, etc. to be sold over a period of up to six months.

*Paragraph 3.* Where special grounds so dictate, licences may be issued for the sale of tickets, game boards, etc. to continue for up to four months after the expiry of the sales period mentioned in paragraph 1.

*Paragraph 4.* If the organiser has held a not-for-profit lottery previously, the licence may not be re-issued until published accounts are available for the organiser's last not-for-profit lottery.

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<sup>1</sup> Notification of the draft Executive Order has been sent in accordance with Directive 98/34/EC of the European Parliament and of the Council (Information Procedure Directive), as amended by Directive 98/48/EC.

*Paragraph 5.* By way of exception, however, a licence may be issued for the holding of a not-for-profit lottery for two further time-restricted periods, provided that the organiser can be assumed to meet the conditions of Section 7.

**Section 3.** Where a not-for-profit lottery is held by means of selling tickets, and where the result of the draw is published after the end of the sale period (tickets not drawn in advance), the winnings may consist of an amount of money, shares or similar.

**Section 4.** Where a not-for-profit lottery is held by means of tickets drawn in advance or bingo games, the winnings may not consist of an amount of money, shares or similar; see however paragraph 2. Winnings may, however, consist of gift cards, in so far as they cannot be exchanged for money.

*Paragraph 2.* Licences may be issued for the holding of a not-for-profit lottery by means of tickets drawn in advance or bingo games where the winnings consist of an amount of money, shares or similar, provided that the licence is restricted so that it is only valid in five police districts.

**Section 5.** The draw shall be performed by a notary, unless it is a bingo game or a not-for-profit lottery with tickets drawn in advance, or lotteries in a national radio or television programme with the aim of raising money.

*Paragraph 2.* If the total sum sold does not exceed DKK 20 000, the draw may instead be performed by the organisers during meetings or parties, or in the presence of an audience.

**Section 6.** In order to ensure that participants can familiarise themselves before they place their stake, the following information shall appear on the ticket:

- 1) the name and domicile of the organiser;
- 2) the purpose of the not-for-profit lottery;
- 3) the price for participation;
- 4) the total number of tickets in the lottery;
- 5) the number, nature and value of winnings, expressed in Danish kroner (DKK), excluding taxes;
- 6) the period during which the not-for-profit lottery is to be held;
- 7) when the draw will take place;
- 8) where and when the results of the draw will be published. Where a not-for-profit lottery is held by means of tickets drawn in advance, this shall be done by announcing how many tickets have been sold,

and specifying how many winning tickets have been redeemed, as well as their distribution among the individual prize groups;

9) the place and latest deadline for supplying the winnings;

10) where and when the audited accounts for the lottery will be available to the public;

11) the date of issue of the licence; and

12) the police district(s) for which the licence is valid.

*Paragraph 2.* If, on the basis of the type of lottery chosen, no tickets are used on which the information mentioned in paragraph 1 may appear, the organiser shall make the information readily available to the player and to the authorities by means of a written notice, via text TV, on the organiser's website or similar.

*Paragraph 3.* Upon application for a licence to hold a not-for-profit lottery, the organiser shall supply written information to the National Gaming Authority concerning whether the organiser has previously been issued with a licence. If so, a copy of the published accounts for the organiser's last not-for-profit lottery shall be submitted to the National Gaming Authority or, if the conditions of Section 2(5) are met, the published accounts for the last not-for-profit lottery prior to that. Furthermore, a copy of any licences for which the accounts have not yet been published shall also be enclosed with the application. In addition to this, a draft ticket, instructions or notice shall also be submitted to the National Gaming Authority before a licence to hold a not-for-profit lottery can be issued.

*Paragraph 4.* Upon application for a licence to hold a not-for-profit lottery by means of tickets drawn in advance and bingo games, the organiser shall prove to the National Gaming Authority that the distribution of winnings depends on chance, and that the not-for-profit lottery will be held in a satisfactory manner. Specifically, the organiser shall, where possible, produce a sample ticket, information concerning who produced the tickets, the number of tickets produced, the number of winning tickets, the distribution of winnings to individual tickets and the control numbers of the winning tickets (control list).

*Paragraph 5.* Lotteries in a national radio or television programme with the aim of raising money shall be exempt from paragraph 1(4).

**Section 7.** A licence to hold a not-for-profit lottery shall be issued on condition that:

- 1) the lottery is held in such a way that the participants can familiarise themselves with the information concerning the approved tickets, instructions or notice before paying in their stakes;
- 2) instructions are supplied to the participants where these are used, unless the National Gaming Authority finds, which it may do in special cases, that displaying them to the participant suffices;
- 3) the lottery is held using the approved ticket, instructions or notice and in accordance with the information stated therein;
- 4) the draw takes place as stated in Section 5;
- 5) the lottery organiser publishes the following within six months after the end of the sale period:
  - a) audited accounts of the lottery; and
  - b) an auditor's statement concerning what has been done with the proceeds from the lottery; see however paragraph 2.
- 6) a copy of the audited accounts and the auditor's statement, as well as a copy of the ticket, instructions or notice used (the latter may be in reduced size) are sent to the National Gaming Authority by no later than the time of publication; and
- 7) at least 35% of the sum total of the amount sold is used for not-for-profit purposes.

*Paragraph 2.* In the event that the sum total of the amount sold in the not-for-profit lottery exceeds DKK 100 000, the auditor shall be a state-authorized or chartered auditor; cf. paragraph 1(5)(a) and (b).

*Paragraph 3.* Where a licence is issued for a not-for-profit lottery by means of a tombola, the licence shall state where the tickets, etc. may be sold.

## Chapter 2

### *Notification*

**Section 8.** The holding of not-for-profit lotteries, including bingo games, held by associations or organisations shall not require a licence under the following conditions:

- 1) only members of the association and their relatives may participate in the lottery;
- 2) any advertisements shall state clearly that only members and their relatives may participate;
- 3) the value of each prize may not exceed DKK 5 000;
- 4) the total sum of the amount sold, or, in the case of several lotteries held on the same day, the grand total, may not exceed DKK 100 000; and
- 5) the association or organisation may not have the holding of not-for-profit lotteries as its sole purpose.

*Paragraph 2.* Associations or organisations may also hold a public lottery for charity or other not-for-profit purposes twice a year without a licence; cf. Section 1(2) and Section 10 of the Act, under the following conditions:

- 1) the association or organisation may not have the holding of not-for-profit lotteries as its sole purpose;
- 2) the total sum of the amount sold may not exceed DKK 20 000;
- 3) the lotteries shall be held in accordance with Sections 2(1)(2), 3, 4, 5, 6(1)(1)-(10) and (2); and
- 4) the National Gaming Authority shall be notified in writing by no later than 14 days before the not-for-profit lottery is held. The value of the largest prize shall be stated in such notification.

*Paragraph 3.* The holding of bingo games using private radio equipment shall be covered by paragraph 1 where:

- 1) game cards are only sold and prizes supplied to persons who are members of the radio club holding the bingo game in question;
- 2) no more than ten game cards are sold to each member for each event;
- 3) it is possible for the members to be present and participate in the bingo game on the premises where the draw of the winning numbers is to take place; and
- 4) the organising association has rules, a membership list, an elected board and a general assembly.

## Chapter 3

### *Penalties*

**Section 9.** Unless higher penalties are justified by other legislation, the penalties for deliberate and gross negligence shall be fines for those who:

- 1) contravene Sections 2(1)(2), 4, 5, 6(1), (2) and (3)(1), or 7(2); or
- 2) fail to abide by the conditions laid down in Section 7(1).

*Paragraph 2.* Criminal liability may be imposed on associations, etc. (legal persons) in accordance with the rules of Chapter 5 of the Penal Code.

## Chapter 4

### *Entry into force*

**Section 10.** This Executive Order shall enter into force on .....

