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16 June 2017

Mr Anthony CHU
Clerk, Public Accounts Committee
Legislative Council Secretariat
Legislative Council Complex
1 Legislative Council Road
Central, Hong Kong

Dear Mr Chu,

Public Accounts Committee
Chapter 2 of the Director of Audit's Report No. 68
Monitoring of charitable fund-raising activities

Thank you for your letter of 9 June 2017. Our response is set out below.

-
- (a) In the “Reference Guide on Organisation of Lottery Activities” (“the Guide”) issued by our Department, apart from providing application forms, it also stipulates the licence conditions and application procedures in detail. A copy of the latest version of the Guide is enclosed. The application forms for lottery licence are contained in Appendix II of the Guide.
- (b) It is a condition of lottery licence that if the net proceeds of the lottery are used for meeting the operating expenses of the organisation, the licensee shall submit to the Office of the Licensing Authority (“OLA”) under our Department an audited annual financial statement of the organisation, received by a practice unit within the meaning of the Professional Accountants Ordinance (Cap. 50), which should show the income and expenditure of the lottery, and the whereabouts of the net proceeds in meeting the approved purpose(s) of the lottery event (may be shown in the form of “note to account” if appropriate). A sample “Note to Account” in the annual financial statement was added at Appendix VII of the latest

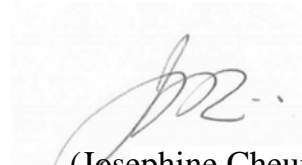
version of the Guide to provide guidance to licensees to facilitate their compliance with the condition that the use of net proceeds is accounted for in the financial statements.

- (c) In paragraph 4.11 of Chapter 2 of the Director of Audit’s Report No. 68 (“the Audit Report”), it was found that in 6 cases, the submitted annual financial statements did not show separately the income and expenditure of the lottery events nor the use of net proceeds. It was mainly because some organisations grouped all the incomes received from various fund-raising events and all the event expenses into a single item, such as “donations received during the year” or “fund-raising expenses for the year”, instead of showing separately the income and expenditure of the approved lottery events. Some annual financial statements did not show separately which item(s) of operating expenditure of the organisations were met by the net lottery proceeds. For these cases, we sought clarifications and explanations from the organisations and requested for supplementary information where necessary to facilitate the understanding of the income and expenditure of the lottery event and whereabouts of the net proceeds. As the organisations concerned had provided lottery accounts stating the income and expenditure of the activities in accordance with the licence condition, the information so provided helped clarify the relevant items in the annual financial statements. Based on the information provided by the organisations, we accepted that the net lottery proceeds had been used for the approved purpose(s). We had already reminded the organisations of the requirements to include the income and expenditure of the lottery event and the use of the net proceeds in annual financial statements if they were to organise lottery events again in future. Moreover, in the latest version of the Guide, a sample “Note to Account” was added at Appendix VII to provide guidance to licensees with a view to assisting them to clearly account for the income and expenditure of the lottery events and use of net proceeds in their annual financial statements.
- (d) As for paragraphs 4.14(a) to (d) of the Audit Report, some recommendations have been implemented as set out in the table below.

Audit Report	Follow-up Actions
<p>Para. 4.14(a)</p> <p>step up monitoring of licensees’ compliance with the lottery licence conditions, including the timely submission of required documents upon completion of a lottery event, and consider taking suitable measures to deter</p>	<p>Implemented.</p> <p>We have already stepped up the monitoring of licensees’ compliance with lottery licence conditions in submitting the required documents. We have also reviewed all cases with outstanding documents, issued reminders and taken follow-up actions. Apart from issuing warning letters for cases of repeated late submission of documents, we also discussed with the organisations to identify areas for</p>

Audit Report	Follow-up Actions
cases of repeated late submission of documents	<p>improvement. For serious cases or cases failing to make improvement, we will consider refusing application from the same organisation in future.</p> <p>In addition, Appendix II was added in the latest version of the Guide listing out the documents to be submitted upon completion of the lottery event and the corresponding due dates. Organisations applying for the first time will understand better the licence conditions. Organisations which have been granted with lottery licence before can also review and confirm to OLA whether all the required documents have already been submitted.</p>
<p>Para. 4.14(b)</p> <p>enhance the Licensing Information System to facilitate the monitoring of licensees' compliance with the lottery licence conditions</p>	<p>Follow up in progress.</p> <p>We are taking follow-up actions on the recommendation of upgrading the Licensing Information System. It is anticipated that actions can be completed within this year to enhance relevant system function for generating exception reports to facilitate the staff in OLA in following up the outstanding cases in a timely manner.</p>
<p>Para. 4.14(c)</p> <p>provide more guidance to licensees and ensure their compliance with the condition that the use of net proceeds is accounted for in the financial statements</p>	<p>Implemented.</p> <p>A sample "Note to Account" was added at Appendix VII of the latest version of the Guide to provide guidance to licensees to facilitate their compliance with the condition that the use of net proceeds is accounted for in the financial statements.</p>
<p>Para. 4.14(d)</p> <p>take measures to facilitate public access to the lottery accounts</p>	<p>Implemented.</p> <p>With effect from 7 June 2017, the statements of income and expenditure and review reports of the lottery activities submitted by licensees are posted onto OLA's homepage. The public can also request to inspect the documents at the office of the OLA and/or request for a copy at a charge.</p>

Yours sincerely,

A handwritten signature in black ink, appearing to read 'JC', is written over a faint, light-colored rectangular stamp or watermark.

(Josephine Cheung)
for Director of Home Affairs

Encl.

- c.c. Secretary for Home Affairs
- Director of Social Welfare
- Director of Food and Environmental Hygiene
- Director of Lands
- Secretary for Financial Services and Treasury
- Director of Audit

Reference Guide on Organisation of Lottery Activities

All applicants for and holders of Lottery Licences are advised to read this Reference Guide which serves to assist them to get conversant with all licence conditions as required by law and the administrative requirements as stipulated by the public officer appointed by the Secretary for Home Affairs.

2. Lottery organisers should dutifully comply with all licence conditions and related administrative requirements.
3. Members of the public, who are patrons of lottery events, could then be able to identify responsible organisers.
4. Contravention of any licence conditions on the part of any organisers may not only bring disrepute, but may also lead to a Lottery Licence being revoked and legal sanction as provided for in the Gambling Ordinance (Cap. 148). Failure to observe any administrative requirements may render an application for a Lottery Licence unsuccessful.

Office of the Licensing Authority
Home Affairs Department

Revision date: June 2017

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Part 1

Introduction

A. Objective

Anyone who wishes to conduct a lottery event in Hong Kong has to apply for a licence from the public officer appointed by the Secretary for Home Affairs (“the public officer”) in accordance with the provisions of the Gambling Ordinance (Cap. 148) and Gambling Regulations (Cap. 148A). Applications for lottery licence should be submitted to the Office of the Licensing Authority (OLA) of the Home Affairs Department. Lottery licences are issued to bona fide organisations to conduct lottery ticket sales for the purpose of fund-raising, and funds so raised are to be used to meet the organisations’ operating expenses or for donations to local registered charities, or both. In considering an application for lottery licence, the public officer should be satisfied that funds collected from the lottery ticket sales will be used for charitable purposes or for purposes which would contribute directly and indirectly to the development of representative government in Hong Kong.

2. The objective of this Reference Guide (this Guide) is two-fold:
 - (a) to advise lottery organisers the requirements in the administration and management of their lottery activities; and
 - (b) to facilitate identification of responsible lottery organisers by members of the public.

3. Lottery organisers are advised to read this Guide so that they are well versed and able to fully comply with all licence conditions and the administrative requirements in the conduct of their lottery activities. This Guide should be read in conjunction with the relevant legislation and licence conditions currently in force. This Guide sets out in detail the procedures and requirements for applications for lottery licence and for permission to sell lottery tickets on public streets (please see Part 2 of this Guide) as well as compliance of the various licence conditions (please see Part 3 of this Guide).

4. Lottery organisers should keep the administrative expenses of the lottery event as low as possible, which should not be more than 20% of the total proceeds received from the sale of lottery tickets (please see Q15 of ‘Frequently Asked Questions’ at Appendix VIII). Each lottery organiser, upon completion of the event, must prepare an income and expenditure (IE) statement and obtain a written report

reviewed by a certified public accountant. If these documents are to the satisfaction of the public officer, they will be put up in the homepage of the OLA for public inspection (please see items (3)(b)(iv) and 6 in Part 3 of this Guide). The public can also complete the Request Form at Appendix IX of this Guide and inspect the documents at the office of the OLA and/or request for a copy.

5. Form 1A in the Second Schedule of the Gambling Regulations (Cap. 148A) sets out the conditions with which an applicant for and a holder of a lottery licence has to comply. The public officer may impose additional conditions as and when necessary. Non-compliance of any of these conditions may result in the licence being revoked and the prosecution for an offence. Offenders are liable to a fine of HK\$50,000 and imprisonment for two years. Moreover, such non-compliance reflects badly on the ability of these persons to fulfill licence conditions, which may be taken into due consideration by the public officer in processing their future applications for lottery licences.

6. As a matter of principle, OLA will not try to interpret or enforce the law under the purview of other enforcement agencies. When there is an alleged breach of the law in the conduct of lottery activities, OLA will normally refer the case to the Hong Kong Police Force, who is the enforcement agency for the Gambling Ordinance, for action.

7. A copy of this Guide can be obtained from OLA at 10th Floor, Cityplaza 3, 14 Taikoo Wan Road, Taikoo Shing, Hong Kong. It may also be downloaded from the Internet via www.hadla.gov.hk/el/. OLA will make suitable amendments to this Guide from time to time, having regard to changing circumstances.

B. Relevant Statutory Provisions

Gambling Ordinance (Cap. 148)

Section 22 Licences

- (1) The public officer appointed by the Secretary for Home Affairs may—
- (a) by licence authorize—
 - (i) the promotion and conduct of any lottery for the purposes of a club, association or other body of persons approved by the public officer appointed by the Secretary for Home Affairs;
- (3) Any such licence shall be subject to the prescribed conditions and to any other conditions which the public officer appointed by the Secretary for Home Affairs may impose.
- (4) The public officer appointed by the Secretary for Home Affairs may cancel any such licence at any time—
- (a) if a condition of the licence is contravened whether or not any person has been convicted of an offence under subsection (6); or
 - (b) he considers that the public interest so requires.
- (5) Notice in writing of a decision of the public officer appointed by the Secretary for Home Affairs under this section shall be given by the public officer appointed by the Secretary for Home Affairs to the person in respect of whom it is made.
- (5A) A notice under subsection (5) shall, except in the case of a decision to grant or to renew a licence or to impose other conditions, be accompanied by a statement of the reasons for the decision.
- (5B) Any person aggrieved by a decision of the public officer appointed by the Secretary for Home Affairs made in respect of him under this section may, within 28 days after receiving notice of the decision, appeal to the Administrative Appeals Board.
- (5C) A decision that is appealed against under subsection (5B) shall be suspended in its operation as from the day on which the appeal is made until such appeal is disposed of, withdrawn or abandoned unless such suspension would, in the opinion of the public officer appointed by the Secretary for Home Affairs, be contrary to the public interest and the notice of the decision contains a statement to that effect.
- (6) Where a condition of any such licence is contravened, the person to whom the licence was issued commits an offence unless he proves that the contravention occurred without his consent or connivance and that he exercised all due diligence to prevent it.
- (7) Any person who commits an offence under subsection (6) is liable on conviction to a fine of \$50,000 and to imprisonment for 2 years.

C. Definition

8. The term “lottery” as defined in Section 2 of the Gambling Ordinance (Cap. 148), includes -

- (a) a raffle;
- (b) a sweepstake;
- (c) tse fa (字花);
- (d) hung piu (紅票);
- (e) po piu (舖票);
- (f) any competition for money or other property success in which -
 - (i) involves guessing or estimating the results of future events, or of past events the results of which are not generally known; or
 - (ii) does not depend to a substantial degree upon the exercise of skill by the competitors; and
- (g) any game, method, device or scheme for distributing or allotting prizes by lot or chance,

whether promoted, conducted or managed in or outside Hong Kong.

Part 2

Application Procedures

A. Application for Lottery Licence

Anyone who wishes to conduct a lottery event in Hong Kong must apply for a lottery licence from the public officer. You can obtain the application forms at OLA. The forms can also be downloaded from OLA's homepage (www.hadla.gov.hk/el).

2. Duly completed forms and supporting documents (please see Appendix I for details) can be submitted to OLA either by mail or in person. For application by post, please **affix sufficient stamp** to ensure delivery in order. As we require **original** application forms which bear the personal signature of the applicant, application by fax is not accepted.

3. Upon receipt of the properly completed application forms and supporting documents, OLA will start processing your application. Upon payment of the prescribed fee (please see Appendix XI), the lottery licence will be issued. This process normally takes ten working days (working days exclude Saturdays, Sundays and Public Holidays). **The time taken for you to provide additional information and/or clarifications is not counted towards these ten working days. In the circumstances, you are advised to apply for a licence at least three calendar weeks in advance. You should also allow sufficient time for printing lottery tickets.**

4. The licence condition requires that lottery ticket shall state the licence number under which it is issued. You should only start printing lottery tickets upon the receipt of a licence. Should you wish to sell tickets on public streets, please separately obtain a prior written permission from the public officer. For details, please refer to Section B below.

5. If your organisation is a local registered charity (i.e., a charitable institution or trust of a public character exempt from tax under Section 88 of the Inland Revenue Ordinance (Cap. 112)), you may apply in writing, stating the reasons and enclosing supporting documents at the same time when an application for a lottery licence is made, for a **waiver** of the licence fee.

6. Alternatively, you may apply for a **refund** of the licence fee upon the conclusion of the lottery event, if at least 75% of the lottery proceeds has been appropriated to other local registered charities. You have to apply in writing to the public officer stating the reasons and enclosing relevant documents, including a copy of statement of all moneys collected or received from the sale of lottery tickets and all the disbursements made from the moneys so collected or received as well as copies of

receipt of donations from the beneficiaries.

7. The fee payable for a lottery licence is listed in the Third Schedule of the Gambling Regulations (Cap. 148A). Change in licence particulars is allowed only if the event has not yet commenced, and a signature fee will be charged. You may refer to Q11 of ‘Frequently Asked Questions’ at Appendix VIII. The licence fee and signature fee may be revised from time to time.

8. If the application for lottery licence is approved, information such as licence number, name of organiser, period of lottery event, number of tickets available for sale and ticket price will be put up in OLA’s homepage and GovHK homepage (www.gov.hk/en/theme/fundraising/today) for public information.

B. Application for Sale of Lottery Tickets on Public Streets

9. It is a licence condition that the holder of lottery licence must obtain written approval from the public officer prior to selling lottery tickets on public streets (please see Condition (1)(f) in Section A of Part 3). If you plan to sell lottery tickets on public streets, you should apply in writing with the following information:

- (a) the dates, time slots and venues of the proposed sale, and maps may sometimes be required for identification of the exact locations;
(Note: Applicants are required to provide the list of locations in both Chinese and English to facilitate the public’s access to the list of approved locations for sale of lottery tickets at OLA’s homepage and GovHK homepage (www.gov.hk/en/theme/fundraising/today/)).
- (b) the estimated number of workers/participants and the proposed equipment (e.g., tables, chairs, etc.) at each location which might create possible obstruction to users of public streets; and
- (c) the application number or lottery licence number concerned, as appropriate.

10. You may apply for selling lottery tickets on public streets as early as your application for lottery licence, and OLA will commence vetting the two applications in parallel. OLA will further proceed with consulting relevant government departments about the on-street selling upon the issue of lottery licence under Section A. The consultation will take at least 13 working days (Saturdays, Sundays and public holidays are not counted as working days) or about three calendar weeks; however, longer processing time will be required if more locations are

involved.

11. You are reminded that, other than public streets, permission must be obtained from the relevant authorities which are responsible for the management of public venues and/or shopping centres, for any sale activities to be held.

12. If the application is approved, the date, time and approved locations for sale of lottery tickets will be uploaded to OLA's homepage and GovHK homepage (www.gov.hk/en/theme/fundraising/today/) for public information in addition to the information stated in paragraph 8.

Part 3

Compliance of Licence Conditions

This part sets out in detail the licence conditions with which the licensee should comply. You are advised to read, understand and observe this Guide so as to ensure that all pre- and post-licensing conditions and other administrative practices are fully fulfilled.

A. Licence Conditions

2. The following lists out the licence conditions as provided for in Form 1A in the Second Schedule of the Gambling Regulations (Cap. 148A) and those imposed by the public officer. They are legal requirements, and non-compliance is an offence and may result in prosecution for an offence.

(1) Conditions to which a Lottery Licence is Subject upon Application for a Licence

- (a) No cash prize shall be offered or distributed.
- (b) No part of the proceeds of the lottery shall be appropriated for the private gain of any individual who assists in the promotion of the lottery or who is a member of the organisation on whose behalf the lottery is promoted.
- (c) Every lottery ticket shall -
 - (i) be numbered serially and no such number shall be repeated in respect of the same lottery;
 - (ii) state the licence number (i.e., Lottery Licence No. _____);
 - (iii) state the price at which it is sold;
 - (iv) state the number, nature and value of the main prizes available in the lottery;
 - (v) state the date and manner in which the numbers of the winning tickets shall be published after the draw of the lottery; and
 - (vi) state the manner in which prizes may be claimed.
- (d) No lottery ticket shall be offered for sale -
 - (i) earlier than eight weeks before the draw is to take place; or
 - (ii) by advertisement or publication in any newspaper circulating in Hong Kong.
- (e) Lottery tickets should contain a statement stating clearly the intended use of the net lottery proceeds.

- (f) Except with the prior written permission of the public officer, no lottery ticket shall be sold or offered for sale on any road, street, pavement, footbridge, path, lane, alley, square or court in the control of or which is the property of the Government, and no lottery ticket shall be sold in any other public place except with the permission of the owner or other person with lawful authority to give such permission.

(2) Conditions to be Complied with When Conducting a Lottery Event

3. Lottery organisers must ensure the proper collection and counting of all donations received, including -

- (a) Security of Collection Bags and Boxes:
Provide serially-numbered collection bags or boxes with security safeguards and printed with the name of the organisation for use by collectors.
- (b) Counting of Cash Donations:
- (i) Appoint independent person(s) or volunteer(s) to witness the opening of collection bags or boxes and counting of cash donations (e.g., using services of a bank or a security company); and
- (ii) Record the amount of cash counted, and require the witnessing person(s) and the counting staff/volunteer(s) to sign on the record, certifying correctness. A copy of the signed cash-counting record should be forwarded to the public officer.

Please refer to Appendix VI for a sample of cash-counting record. Any subsequent amendment to the cash-counting record should be jointly signed and dated next to the amendment by the same witnessing person(s) and counting staff/volunteer(s). You may refer to Q18 of 'Frequently Asked Questions' at Appendix VIII.

(3) Conditions to which a Lottery Licence is Subject upon Completion of the Lottery Event

4. The following lists out the conditions to which a lottery licence is subject upon completion of the lottery event:

- (a) Within ten days from the date of the draw of the lottery, details of the results shall be published in one English and one Chinese newspaper circulating in Hong Kong, and a copy of the relevant newspaper cuttings shall be forwarded to the public officer.
- (b) Within 90 days from the date of the draw of the lottery, the licensee shall -
- (i) forward to the public officer a copy of the cash-counting record jointly signed by the counting staff/volunteers and the witnessing persons;

- (ii) prepare a statement of income and expenditure setting out all the moneys collected or received from the sale of lottery tickets and all the disbursements made from the moneys so collected or received;
- (iii) obtain a written report made by a practice unit (please see **Note** below) within the meaning of the Professional Accountants Ordinance (Cap. 50) stating that -
 - (A) in the opinion of the practice unit, the statement of income and expenditure is properly prepared from the books and records of the licensee made available to the practice unit; and
 - (B) no matter has come to the attention of the practice unit which indicates that the statement of income and expenditure does not accurately reflect all the moneys collected or received from the sale of lottery tickets and all the disbursements made from the moneys so collected or received; and
- (iv) forward to the public officer -
 - (A) a copy of the statement of income and expenditure; and
 - (B) a copy of the report,
for the purpose of, among other things, enabling the copies to be made available for public inspection in such manner, and for such period, as the public officer thinks fit.
- (c) If the net proceeds of the lottery are used for meeting the operating expenses of the organisation, the licensee shall submit to the public officer an audited annual financial statement of the organisation, received by a practice unit within the meaning of the Professional Accountants Ordinance (Cap. 50), which should show the income and expenditure of the lottery, and the whereabouts of the net proceeds in meeting the approved purpose(s) of the lottery event. (may be shown in the form of “note to account” if appropriate). A sample is at Appendix VII.
- (d) If the whole or part of the net proceeds of the lottery is donated to local registered charities, the licensee shall submit to the public officer copies of receipt of donations from the beneficiaries attached to the statement of income and expenditure referred to under condition (3)(b) above.

Note :

“practice unit” - For the purpose of this particular licence condition, a “practice unit” means a certified public accountant (CPA). The Hong Kong Institute of Certified Public Accountants (HKICPA) keeps a list of all CPAs registered in Hong Kong. HKICPA can provide advice in this aspect (Address: 37/F, Wu Chung House, 213 Queen’s Road East, Wanchai, Hong Kong; Website: www.hkicpa.org.hk).

(4) Conditions to be Complied with upon Approval of the Sale of Lottery Tickets on Public Streets

5. When an application for sale of lottery tickets on public streets is approved, the following additional conditions are imposed—

- (a) All purchases of the lottery tickets are to be purely voluntary, and the activity shall not create public order problems or cause nuisance, including excessive noise or harassment to the general public, and the manner in which the activities are conducted should not be such as to be likely to produce a reaction generally against public fund-raising activities.
- (b) During the course of the lottery ticket sale activity, the name of the organiser should be prominently displayed. A copy of the licence and the letter of permission by the public officer for the sale activity should be kept by the person-in-charge at each sale location for inspection by the public.
- (c) Children under the age of 14 must not be allowed to take part in the activity. Participation by young persons between the age of 14 to 18 must be entirely voluntary, and prior written consent of parents must be obtained.

6. All other licence conditions pertaining to the issue of lottery licences apply. Please make reference to the above sections.

(5) Additional Conditions

7. The public officer may impose other additional conditions if a particular case so warrants.

(6) Public Inspection of Income and Expenditure (IE) Statements and Review Reports

8. Condition (3)(b)(iv) above provides that the IE statements and the CPAs' review reports have to be submitted for the purpose of, among other things, enabling the copies to be made available for public inspection. These documents will be posted onto OLA's homepage (www.hadla.gov.hk/el) for a period of one year. The public can also request to inspect the documents at the office of the OLA and/or request for black and white copy at \$1.2 per copy of A4 size paper and \$1.4 per copy of A3 size paper.

9. In addition to submitting the relevant documents to the public officer who will arrange for public inspection, lottery organisers are encouraged to publicize their lottery IE statements and the CPAs' reports in their own publications or on their own websites and/or make available copies of these documents at their offices for public inspection.

B. Processing Applications for Sale of Lottery Tickets on Public Streets

10. Lottery licences authorize the licence holders to conduct sale of lottery tickets within a specified period and are issued with a number of conditions. One such condition forbids the sale or offer for sale of lottery tickets on public streets unless prior written permission of the public officer has been obtained (see Condition (1)(f) in Section A above).

11. In considering an application, the public officer will normally observe the following processing guidelines –

- (a) the lottery ticket sale should not be held in a morning which is a “flag day” approved by the Director of Social Welfare;
- (b) there will be no more than one fund-raising activity in the same venue or its vicinity on the same day except where the activities are organised by the same applicant;
- (c) there will be a fair distribution of fund-raising venues, dates and frequency amongst all potential applicants; and
- (d) the lottery ticket sale will not cause public order and public safety problems, and will not cause nuisance or harassment to the general public.

Each application will be considered on its own merits.

C. Conclusion

12. Every effort has been made to describe the licence conditions in an exhaustive manner; however, having regard to changing circumstances, these conditions may be amended as and when necessary. As such, all licence holders should always update themselves with any amendments and consult their legal advisors as appropriate.

Documents Required When Applying for a Lottery Licence

Applicants for lottery licence should submit to Office of the Licensing Authority (OLA) the following forms and documents duly completed and prepared —

- * (1) a completed Form 1 (see sample in Appendix III)
- * (2) a completed Form 6 or 7 or 8
- * (3) a completed “List of Documents to be Submitted after the Lottery Event”
- * (4) a completed “Form for Payment Method and Collection of Licence”
- * (5) a completed “Contact Details of Applicant and Contact Person” Form
- (6) a copy of the applicant’s Hong Kong Identity Card or passport
- (7) licence fee of HK\$3,165 by cheque or cash (if applicable)
- (8) two sets of sample lottery ticket (see sample in Appendix IV)
- (9) a written application for fee waiver and the approval letter from the Inland Revenue Department if your organisation is a local registered charity exempt from tax under Section 88 of the Inland Revenue Ordinance (Cap. 112) and you plan to apply for a waiver of the licence fee
- (10) an acknowledgement from the school if your organisation is a Parents-Teachers Association planning to conduct a lottery to raise funds for/on behalf of the school
- (11) an acknowledgement from the local registered charity and the approval letter from the Inland Revenue Department certifying that it is a charitable institution or trust exempt from tax under Section 88 of the Inland Revenue Ordinance (Cap. 112) if your organisation plans to raise funds for donation to that charity
- (12) a copy of the Certificate of Incorporation if your organisation is a registered company or a copy of the Certificate of Registration of a Society if your organisation is a registered society
- (13) a copy of the Memorandum of Association (if any) and Articles of Association if your organisation is a registered company or a copy of the club rules/constitution if your organisation is a registered society

Note

- * Blank forms of (1) to (5) are provided at Appendix II, which are detachable for completion.

How to Complete the Forms

(1) Form 1 (Please also refer to the notes at the bottom of the Form)

Introductory part : As lottery licences are normally issued to organisations, this part should be completed by a representative of the organisation as the applicant. If you are to apply for a licence on behalf of your organisation, please enter here your full name after “ I ” in the first blank. The name should be identical to that as shown on your Hong Kong Identity Card.

Item 1 : State clearly the name of the beneficiary (i.e., the organisation, the charity or both that you are representing) and the purpose of the lottery (which should be identical to that as stated in the lottery tickets). These will appear on the licence which will be issued to you upon completion of our processing.

Item 2 : (a) The “amount” is the total proceeds minus the administrative outgoings incurred in the conduct of the lottery. This “amount” should not be less than 80% of the total proceeds estimated to be raised.

(b) “Expenses” refer to the basic administrative outgoings incurred in the conduct of the lottery, e.g., the purchase of prizes, costs of printing the lottery tickets, publishing the results of the draw in newspapers and audit fee, etc. **Please note that remuneration for workers/volunteers should not be included.**

Item 3 : Condition (1)(d)(i) in Section A of Part 3 states that no lottery tickets shall be offered for sale earlier than eight weeks before the draw is to take place. Also note that the end date of the proposed lottery should coincide with the date of draw.

Item 4 : The number of tickets available for sale is the number of tickets you plan to print. This is also the maximum number of tickets approved to be made available for sale. Should you desire to print more tickets than the number already approved, you must apply again in writing, stating the reason(s).

Item 5 : (a) State at least 80% of the total value of the prizes to be offered.

(b) Condition (1)(a) in Section A of Part 3 states that no cash prize shall be offered or distributed. Please confirm here that the prizes cannot be exchanged for cash.

Item 6 : Please indicate the date on which results of the draw will be published in newspapers. It should be within ten days from the date of the lottery draw.

(2) Form 6/Form 7/Form 8 (Please also refer to the notes at the bottom of the Forms)

Depending on the nature of your organisation, complete one of these three forms. Please enclose with your application a copy of the Memorandum of Association (if any) and Articles of Association (for Form 7) or the Club Rules/Constitution (for Form 8).

(3) List of Documents to be submitted after the Lottery Event

The form lists the types of documents to be submitted after completion of the lottery event with the corresponding due dates, as required by licence conditions. Please check if all documents required have been submitted for the last lottery event.

(4) Form of payment method and collection of licence

Payment of licence fee could be made by cheque or in cash in person. Please note that it is advisable for you to come in person (you may authorize another person in writing) to collect the licence. The reason is that, should you desire to have the licence sent to you by mail, we will send it out by registered mail which may take three to four days to reach you.

(5) Contact details of applicant and contact person

Please attach a copy of your Hong Kong Identity Card or passport. Please also leave the contact details of another person if you are not able to answer enquiries from OLA at all times. This will facilitate the processing of your application.

(6) Sample lottery tickets

Please provide two copies of the sample tickets. The sample should be identical to the printed ones, containing all the information and graphic design. The minimum details required to be printed are prescribed in Condition (1)(c) in Section A of Part 3. Please refer to the sample ticket in Appendix IV of this Guide. You may be required to include additional information in the lottery tickets when necessary.

Application Forms for Lottery Licence

- (1) Form 1
 - (2) Form 6
 - (3) Form 7
 - (4) Form 8
- } Please complete Form 6 or 7 or 8.
- (5) List of Documents to be Submitted after the Lottery Event
 - (6) Form for Payment Method and Collection of Licence
 - (7) “Contact Details of Applicant and Contact Person” Form

This form should be submitted to 10th Floor, Cityplaza 3, 14 Taikoo Wan Road, Taikoo Shing, Hong Kong. For application by post, please **affix sufficient stamp** to ensure delivery in order.

FORM 1

Application No.

GAMBLING REGULATIONS

To the public officer appointed by the Secretary for Home Affairs (“the public officer”)

APPLICATION FOR LOTTERY LICENCE

BEFORE completing this application READ the *Note* below.

I hereby apply for a licence to promote and conduct a lottery.

In support of my application I attach Form duly completed, together with the following particulars:
(see Note 2 below)

1. The purpose of the lottery is to raise funds for the
(name of club, society)

to be used for
(club expenses, particular project)

2. An amount of \$ is intended to be raised after deduction of all expenses.

3. The lottery will commence on and end on
(date tickets first available of sale) (date lottery drawn)

4. The number of tickets available for sale will be and the price of one ticket will be

5. The nature, value and source of the main prizes will be as follows—

<u>Nature</u>	<u>Value</u>	<u>Source</u> (If purchased say “Purchased”— if donated say “Donated by _____”)
.....
.....
.....

and together with other minor prizes the total value of all the prizes offered will be

6. The lottery be drawn on at
by

7. The results of the lottery will be advertised in
..... and in on
(name 1 English and 1 Chinese newspaper)

I certify that the information supplied by me in this application is to the best of my knowledge and belief, both true and correct.

Dated this day of

.....
(Signature)

Note:

1. You are advised to refer to section 22 of the Gambling Ordinance and the Gambling Regulations Cap. 148.
2. If the application is on behalf of a company, complete Form 7. If the application is on behalf of a club or society in respect of which the Societies Ordinance (Cap. 151) applies, complete Form 8. If the application is not on behalf of a company or such a society or club, complete Form 6.
3. You are warned that any material falsification or omission of information may result in the public officer's refusal to grant a licence.
4. If the public officer decides to grant a licence, a fee \$3,165 will be payable to the public officer upon such grant, unless waived or reduced.

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This form should be submitted to 10th Floor, Cityplaza 3, 14 Taikoo Wan Road, Taikoo Shing, Hong Kong. For application by post, please **affix sufficient stamp** to ensure delivery in order.

FORM 6

In support of Application No.

GAMBLING REGULATIONS

To the public officer appointed by the Secretary for Home Affairs (“the public officer”)

BEFORE completing this form READ the *Note* below.

1. Name of applicant
2. Identity Card number
3. Business Registration or Commercial Code number
4. Telephone number
5. Residential Address
6. Date of Birth
7. Place of Birth
8. Nationality
9. Give details of any other licences under the Gambling Ordinance for which application has previously been made
10. Give details of any current licences under the Gambling Ordinance held by the applicant
11. Give details of any previous experience of applicant in respect of the licence applied for
12. Has the applicant ever been convicted of an offence? Yes/No
If "Yes", give details

(court where convicted, date of conviction, offence and penalty)

I certify that the information supplied by me in this form is to the best of my knowledge and belief, both true and correct.

Dated this day of

.....
(Signature)

- Note:*
1. Complete this form only if you are *not* making application on behalf of a company *or* on behalf of a club or society in respect of which the Societies Ordinance (Cap. 151) applies.
 2. You are warned that any material falsification or omission of information may result in the public officer's refusal to grant a licence.

This form should be submitted to 10th Floor, Cityplaza 3, 14 Taikoo Wan Road, Taikoo Shing, Hong Kong. For application by post, please **affix sufficient stamp** to ensure delivery in order.

FORM 7

In support of Application No.

GAMBLING REGULATIONS

To the public officer appointed by the Secretary for Home Affairs (“the public officer”)

BEFORE completing this form READ the *Note* below.

1. Full name of company

.....

2. Type of company (Public, Private, Limited by share or guarantee)

.....

.....

3. Is the company incorporated in Hong Kong? Yes/No

If "No", give details as to where it is incorporated.

.....

.....

4. Date of incorporation (attach a copy of the Memorandum of Association (if any) and Articles of Association)

.....

.....

5. Issued capital

6. Does the company hold an interest in any other company or undertakings? Yes/No

If "Yes", give details

.....

.....

7. Give the names and addresses of any lenders, mortgagees, or others providing finance, with the full term of such loans.

Name	Address	Amount	Terms	Duration

8. Has a director, the secretary or a manager of the company ever been convicted of an offence? Yes/No

If "Yes", give details (court where convicted, date of conviction, offence and penalty)

.....

.....

9. Has the company ever been the subject of a winding-up petition? Yes/No

If "Yes", give details

.....

.....

10. Give the name and address of the auditors to the company

.....

.....

11. Give a list of all bank accounts held by the company

.....

.....

FORM 7

(continue)

In support of Application No.

12. Give details of the directors, managers and the company secretary.

Name	Address	Date of Birth	Nationality

13. Is the company a wholly or partly owned subsidiary of another company? Yes/No
If "Yes", give details together with the same particulars as in questions 1 to 12 on a separate sheet in relation to the ultimate controlling company.

14. Give details of any other licences under the Gambling Ordinance for which application has previously been made

15. Give details of any current licences under the Gambling Ordinance held by the company

16. Give details of any previous experience of the company in respect of the licence applied for

I certify that the information supplied by me in this form is to the best of my knowledge and belief, both true and correct.

Dated this day of.....

.....
(Signature)

Position in Company

-
- Note:* 1. Complete this form only if you are making application on behalf of a company.
2. You are warned that any material falsification or omission of information may result in the public officer's refusal to grant a licence.

This form should be submitted to 10th Floor, Cityplaza 3, 14 Taikoo Wan Road, Taikoo Shing, Hong Kong. For application by post, please **affix sufficient stamp** to ensure delivery in order.

FORM 8

In support of Application No.

GAMBLING REGULATIONS

To the public officer appointed by the Secretary for Home Affairs ("the public officer")

BEFORE completing this form READ the *Note* below.

1. Name of society or club
2. Type of society or club and objects(sports, social)
3. Date society or club formed
(attach a copy of the Club Rules or Constitution)

4. Give details of the following persons involved in the administration of the society or club—

	<u>Name</u>	<u>Address</u>
President/Chairman
Secretary
Treasurer
Accountant/Auditor

5. Has an officer of or any person involved in the administration of the club or society ever been convicted of an offence? Yes/No
If "Yes", give details. (Court where convicted, date of conviction, offence and penalty)

6. Give a list of the current assets under the control of the club or society and value thereof.

<u>Asset</u>	<u>Value</u>
.....
.....

7. Give details of any other licences under the Gambling Ordinance for which application has previously been made
8. Give details of any current licences under the Gambling Ordinance held by the club or society.
9. Give details of any previous experience of applicant in respect of the licence applied for

I certify that the information supplied by me in this form is to the best of my knowledge and belief, both true and correct.

Dated this day of

.....
(Signature)

Position in the club or society

- Note:*
1. Complete this form only if you are making application on behalf of a club or society.
 2. You are warned that any material falsification or omission of information may result in the public officer's refusal to grant a licence.

【Please attach this form together with your licence application forms for processing.】

List of Documents to be Submitted after the Lottery Event

I acknowledge that the licence conditions require submission of the following documents after completion of a lottery event—

Required Documents	Due Date (from the date of the draw)
A copy of the relevant newspaper cuttings showing the details of the draw results of the lottery	10 days
A copy of the statement of income and expenditure of the lottery event and the report made by a CPA on the statement of income and expenditure of the lottery event	90 days
A copy of the cash-counting record jointly signed by the counting staff/volunteers and the witnessing persons	
Official receipt(s) in respect of the net proceeds of the lottery from the organization(s) receiving the donation	
If the net proceeds of the lottery are used for meeting the operating expenses of the organisation, an audited annual financial statement of the organisation, received by a CPA, which should show the income and expenditure of the lottery, and the whereabouts of the net proceeds in meeting the approved purpose(s) of the lottery event (may be shown in the form of “note to account” if appropriate)	1 year

I confirm that—

- This is the first time my organization has applied for a lottery licence. I have attached the Audited Annual Financial Statements for the past three years and the Annual Reports/Newsletters/track records of the organisation’s activities/charitable works for the past three years, and the budget plan of the proposed lottery event. I understand that I must comply with licence conditions and submit the documents required on or before the due date.
- My organisation has been granted a Lottery Licence before (Lottery Licence No. _____). I confirm that **all documents** required have been submitted as required by the licence conditions.

Signature of Applicant

Name of Applicant
Date:

Notes

- Please tick (✓) as appropriate.

【Please attach this form together with your licence application forms for processing.】

☞ Method of Payment and Collection of Licence ☞

Please indicate your preferences below.

Payment

- I wish to pay the Lottery Licence fee by cheque. A crossed cheque payable to “**The Government of the Hong Kong Special Administrative Region**” at the amount of HK\$3,165 is enclosed.
- I wish to pay the licence fee in cash in person at the Shroff Office.
- I represent a local registered charity. I wish to apply for a waiver of the licence fee for a Lottery Licence and attach herewith our application letter and the supporting documents.

Collection of Licence

- I wish to collect the licence in person at Office of the Licensing Authority in Cityplaza 3, Taikoo Shing.
- I wish to authorize a person to collect the licence on my behalf. (Please ask the authorized person to bring along your letter of authorization bearing the name and HKIC number of that person for authentication purpose upon collection of the licence.)
- Please send the licence to me by post** to the following address :

Name: _____
Address: _____

Signature of Applicant

Name of Applicant
Date:

Notes

- Please tick (✓) as appropriate.
- ** The licence will be sent out by registered mail (normal delivery lead time will be about three to four working days).

【Please attach this form together with your licence application forms for processing.】

Contact Details of Applicant and Contact Person

Lottery Licence Application

Please attach a copy of the applicant's HKID Card/Passport

Name of Applicant : <i>Mr./Mrs./Miss/Ms.</i> * : _____	
Name in Chinese : _____	
Office Address : _____ _____	
Office Phone No. : _____	Fax No. : _____
Home Phone No. : _____	Mobile Phone No. : _____
Email Address : _____	
Website of organisation : _____	

Please provide information of a contact person (if different from the applicant)

Name of Contact Person : <i>Mr./Mrs./Miss/Ms.</i> * : _____	
Name in Chinese : _____	Office Phone No. : _____
Mobile Phone No. : _____	Fax No. : _____
Email Address : _____	

Notes

1. The personal data provided above will be used to facilitate communication between the Government and the applicant on the above application and other relevant licensing matters. Please complete the form in full.
2. The personal data provided may be transferred to other Government departments for the purposes mentioned above.
3. For correction of or access to personal data given in this form, please contact Licensing Officer (Miscellaneous)3 of the Office of the Licensing Authority, Home Affairs Department at 2117 3694.

* **Please delete whichever is inapplicable.**

This form should be submitted to 10th Floor, Cityplaza 3, 14 Taikoo Wan Road, Taikoo Shing, Hong Kong. For application by post, please **affix sufficient stamp** to ensure delivery in order.

S A M P L E

Appendix III

Form 1

Application No.

GAMBLING REGULATIONS

To the public officer appointed by the Secretary for Home Affairs (“the public officer”)

APPLICATION FOR LOTTERY LICENCE

BEFORE completing this application READ the *Notes* below.

A representative of an organisation has to apply for a licence on behalf of the organisation. If you are the applicant, enter here your full name which should be identical to that as on your HKID card.

I **Lot Raisefund** hereby apply for a licence to promote and conduct a lottery.

8 – if your organisation is a registered club / society;
7 – if your organisation is a registered company;
6 – neither of the above.

In support of my application I attach Form **8 or 7 or 6**
(see Note 2 below)
duly completed, together with the following particulars:

The purpose entered here should be identical to that as stated in the lottery tickets.

1. The purpose of the lottery is to raise funds for the **Concern for**
..... **the Elderly Centre**

(name of club, society)

to be used for **supporting the health care services to**
..... **the elderly who live alone**

(club expenses, particular project)

The amount is the estimated total proceeds minus any anticipated administrative expenses which should not be more than 20% of the total proceeds, e.g., total proceeds \$10@ x 10,000 tickets = \$100,000; after deducting administrative expenses of \$20,000, the amount intended to be raised is \$80,000.

2. An amount of \$... **80,000.00** is intended to be raised after deduction of all expenses.

3. The lottery will commence on **3.5.201X**
(date tickets first available of sale)

and end on **27.6.201X**
(date lottery drawn)

The maximum duration of a lottery is eight weeks.

4. The number of tickets available for sale will be **10,000**
..... and the price of one ticket will be **\$10.00**

Please state the number of tickets to be printed for sale. This is also the number of tickets approved.

5. The nature, value and source of the main prizes will be as follows:

<u>Nature</u>	<u>Value</u>	<u>Source</u> <small>(If purchased say 'Purchased' / if donated say 'Donated by _____')</small>
First Prize: TV set	\$5,000.00	Donated by Mrs Charity
Second Prize: Hi-fi system	\$2,000.00	Purchased
Third Prize: Blue-ray system	\$1,000.00	Purchased
Consolation prizes (stationery gift packs)	\$1,000.00 (\$50@ x 20)	Donated by Goodwill Bookstore Co.

Please submit a full prize list in separate sheet if the space provided is not sufficient.

The date of draw should normally be the same as the end date of the whole lottery event, c.f. Item 3 above.

and together with other minor prizes the total value of all the prizes offered will be **\$9,000.00**

6. The lottery be drawn on **27.6.201X (7 p.m.)**
at **the Centre Headquarters** by **Centre Chairman**


Please enter the date on which the lottery results will be published in the two newspapers. This date should be within ten days from the date of draw.

You are advised to submit an application three weeks in advance. You should also allow sufficient time for printing tickets. If you plan to sell tickets on public streets, a separate application has to be submitted after a Lottery Licence has been issued to you and your application should reach OLA at least three weeks before the street sales commence.

7. The results of the lottery will be advertised in **(name of one English newspaper)** and in **(name of one Chinese newspaper)**
..... **on 3.7.201X**
(name 1 English and 1 Chinese newspaper)

I certify that the information supplied by me in this application is to the best of my knowledge and belief, both true and correct.

Dated this **2nd** day
of **April** 201X.


(Signature)

SAMPLE

LOTTERY TICKET (English Version)

(Note: Price of tickets)

HK\$10 No. 00001

HK\$10

(Note: Serial number of tickets, starting from one)

No. 00001

TICKET STUB

CONCERN FOR THE ELDERLY CENTRE

LOTTERY TICKET 201X
(Website: www.△△△.org.hk)

Purpose: Supporting the health care services to the elderly who live alone

Draw Date : 27 June 201X
Draw Time: 7 p.m.
Venue : Our Centre HQs

(Note: Lottery Licence No.)

Lottery Licence No. : XXXX

CONCERN FOR THE ELDERLY CENTRE

LOTTERY TICKET 201X

(Website : www.△△△.org.hk)

Purpose : Supporting the health care services to the elderly who live alone

Period of lottery sale : 3 May 201X to 27 June 201X (3 p.m.)

Draw Date : 27 June 201X (Time: 7 p.m.)

Venue : Our Centre Headquarters

Prizes	: 1 st TV set	\$5000	
	: 2 nd Hi-fi	\$2000	
	: 3 rd Blue-ray system	\$1000	

Plus many other prizes

Draw results will be publicized on (date) in (name of one English newspaper) and (name of one Chinese newspaper). Winners should first call (tel. no.) and then collect prizes at our centre office at (address) on or before (date).

Number of tickets available for sale: 10,000

If the draw will be held right after the end of lottery sale on the same day, please reserve sufficient time for gathering ticket stubs from different locations and state the times.

All prizes are not redeemable for cash

(Note: Within 10 days from the date of draw)

(Note: Within at least a month from the date of announcement of results in newspapers)

(Note: The purpose should be identical to that as stated in Form 1)

*** Lottery tickets could be in English/Chinese/bilingual.**

Sample Income and Expenditure Statement of Lottery Event

(Please refer to Q15 of ‘Frequently Asked Questions’ at Appendix VIII)

**Concern for the Elderly Centre
Income and Expenditure Statement of Lottery Event held between
3 May 201X and 27 June 201X
Lottery Licence No. XXXX**

	<u>HK\$</u>
Income	
Sale of raffle tickets @ HK\$10	72,070.00
→ Cash donations	42,300.80
	114,370.80
Expenditure	
Announcement of draw results in newspapers	4,750.00
Prize awards	2,530.00
Transportation	420.00
	7,700.00
Net Surplus	106,670.80

Please refer to Q10 of ‘Frequently Asked Questions’ at Appendix VIII

Approved by the Chairman on 22 July 201X



Mr Lot Raisefund
Chairman
Concern for the Elderly Centre

The total administrative expense (\$7,700) is about 11% of the total proceeds received from the lottery sale (\$72,070), thus meeting the requirement of keeping administrative expenses not more than 20% of the total proceeds.

Sample Cash-counting Record

**Concern for the Elderly Centre
Cash-counting Record of Lottery Event
held between 3 May 201X and 27 June 201X
Lottery Licence No. XXXX**

Approved number of tickets to be sold : 10000

Approved lottery ticket price : HK\$ 10 each

Please refer to Q10 of 'Frequently Asked Questions' at Appendix VIII.

Collection bag number	Lottery tickets number	Number of tickets sold	Money collected from lottery tickets	Cash donations
1	00001 - 02000	2000	\$ 20000	\$ 10403.50
2	02001 - 04000	1807	\$ 18070	\$ 14710
3	04001 - 06000	1641	\$ 16410	\$ 9960.30
4	06001 - 08000	1759	\$ 17590	\$ 7227
5	08001 - 10000	0	\$ 0	\$ 0
	Total	7207	\$ 72070	\$ 42300.80

Total amount of cash collected in the lottery event : **\$ 114370.80**

Counted by

Witnessed by

(Signed)
(Name & Post)

(Signed)
(Name & Post)

Date

Date

These must be the same date as the counting and witnessing must be done by two persons at the same time.

Sample “Note to Account” in Annual Financial Statement

(for showing the income and expenditure of the lottery, and the whereabouts of the net proceeds in meeting the approved purpose(s) of the lottery event)

Concern for the Elderly Centre		
Audited Annual Financial Statement		
for the year ended 31 December 201X		
<u>Comprehensive Statement of Income and Expenditure</u>		
	<u>Note</u>	<u>HK\$</u>
Revenue		
XXXXXXXXXXXXX	14	303,300.00
Income from fund-raising activities	15	114,370.80
XXXXXXXXXXXXX	16	12,379.20
⋮	⋮	⋮
Expenditure		
XXXXXXXXXXXXX	17	67,000.00
Expenditure for fund-raising activities	15	7,700.00
XXXXXXXXXXXXX	18	45,240.00
Health care services to the elderly who live alone	15	300,000.00
⋮	⋮	⋮

Note 15

Lottery Event held between 3 May 201X and 27 June 201X

	<u>HK\$</u>
Income	
Lottery proceeds	72,070.00
Other donations	42,300.80
	114,370.80
Expenditure	
	7,700.00
Net Proceeds	106,670.80

The net proceeds from the lottery event under Lottery Licence No. XXXX held between 3 May 201X and 27 June 201X have been fully used on the expenditure for “supporting the health care services to the elderly who live alone”.

The purpose should be the same as the approved purpose as stated in the approved lottery ticket sample (see Appendix IV).

The amounts should be the same as that shown on the income and expenditure statement of lottery event (see Appendix V).

Frequently Asked Questions

Q1: Which types of organisations can apply for a Lottery Licence?

A1: The applicant organisation must be a bona fide non-profit-making organisation registered in Hong Kong. Even if your organisation is not a charitable institution or trust of a public character that is exempt from tax under Section 88 of the Inland Revenue Ordinance (Cap. 112), you may still organise lottery events for the benefit of such charitable organisations, as long as you provide their acknowledgement/consent letter and an approval letter certifying tax exemption under Section 88 of the Inland Revenue Ordinance.

Q2: Can a Parents-Teachers Association (PTA) apply for a Lottery Licence to raise funds for teaching equipment or the financing of a school project?

A2: Yes. The PTA should obtain an acknowledgement letter from the school stating that the school is aware of the proposed lottery event and will accept the amount raised for the stated purpose and submit it to Office of the Licensing Authority (OLA) together with the relevant application forms. After completion of the event, the PTA is required to submit to the public officer an official receipt from the school for the amount received, an Income and Expenditure Statement of the event and an Audited Annual Financial Statement indicating the flow of money to the school for the intended purpose.

Q3: What detail should I include in the “Purpose of the lottery activity”?

A3: Please specify in the “Purpose of the lottery activity” the service aspect and target beneficiary of the funds raised. Applicant is also required to provide supporting documents indicating the proposed use of the lottery donations, such as a list of services or projects intended to be implemented.

Q4: This is the first time my organisation has applied for a Lottery Licence, what documents do I need to produce in addition to the application forms?

A4: If this is the first time your organisation has applied for a Lottery Licence, you are required to submit Audited Annual Financial Statements for the past three years and the Annual Reports/Newsletters/track records of the organisation’s activities/charitable works for the past three years, and the budget plan of the proposed lottery event.

Q5: Is it possible for my organisation to carry out lottery activities more than once a year?

A5 : Organisations are permitted to apply for only one Lottery Licence every 12 months. Exceptions will be made at the public officer’s discretion only in the event of unpredictable and ad hoc circumstances, such as a lottery held to raise funds for victims of a natural disaster.

Q6: What should I do if the prize list could not be finalized at the time when I submit the application?

A6: You are required to provide the details (including prize items, values and sources) of at least 80% of the total value of the prizes when you submit the application. A finalized and full prize list should be submitted to OLA for approval at least 1 week before the start date of lottery ticket sale. Besides, no prize offered shall be a money prize.

Q7: If my organisation proposes to draw out 100 prizes in our lottery event, is it necessary for me to put the details of all these 100 prizes on the tickets?

A7: No. You are only required to state on the tickets the number, nature and value of the main prizes available in the lottery. It is up to you to decide how many prizes you would like to show on the tickets. However, it is always advisable to list out as many prizes as possible to avoid confusion and possible disputes.

Q8: Do I need to submit the application in person? Can I courier the application or fax it to OLA?

A8: You need not submit the application in person. You can courier your application to us or send it by mail which may take one to two days to reach us. Please **affix sufficient stamp** to ensure delivery in order. If you wish to pay the licence fee in cash, please bring along the completed application forms and the required amount of fee to OLA at 10th Floor, Cityplaza 3, 14 Taikoo Wan Road, Taikoo Shing, Hong Kong. **Do not send cash by mail. No changes will be given.** We require original copy of the application forms which bear the signature of the applicant, and application by fax is therefore not accepted.

Q9: What should I do if I plan to sell lottery tickets on public streets?

A9: You must first apply for a Lottery Licence authorising you to organise a lottery event. If you plan to sell lottery tickets on public streets, you should apply to OLA in writing and provide details of the proposed sale dates, duration, exact locations, number of workers/participants and equipment. You may submit the information as early as your application for lottery licence, and OLA will commence internal vetting in parallel. OLA will further proceed with consulting relevant departments upon the issue of lottery licence. The consultation will take about three calendar weeks; however, longer processing time will be required if more locations are involved. To enable OLA to devise a fair distribution of fund-raising venues, dates and frequency amongst all potential applicants, you are advised to apply at the earliest opportunity. Please note that the public officer only approves the sale of lottery tickets on public streets. To sell them in such public places as shopping malls, railway concourses, housing estates, etc., the applicant must separately seek the approval/consent of the relevant authorities/management. Please refer to Section B of Part 2 on “Application Procedures” and Sections A(4) and B of Part 3 on “Compliance of Licence Conditions”.

Q10: What should I do if I want to sell lottery tickets, collect money with donation boxes and conduct charitable sale at the same event?

A10: A Lottery Licence applies only to the sale of lottery tickets at a fixed price. If you intend to carry out any fund-raising activity other than selling lottery tickets at a particular event, you should obtain approval from the relevant authorities, such as Social Welfare Department, Food and Environmental Hygiene Department and Division III of Home Affairs Department, etc.

Q11: Is it possible for me to make some changes to the proposed event after I have got the licence?

A11: If the event has already commenced, no change can be made (including cancellation of the lottery event). For minor changes before commencement of the event, you should apply in writing. You may be required to return the licence to OLA for amendments. Any amendment to the Lottery Licence can only be made once, and a fee of HK\$155 will be charged.

Q12: Must lottery tickets be serially numbered?

A12: It is a licence condition that every lottery ticket shall be numbered serially and no such number shall be repeated in respect of the same lottery. Lottery tickets must be serially numbered, starting from one.

Q13: What should I do if I want to print more tickets for sale after the Lottery Licence has been issued?

A13: Please note that all requests for amendment to the details of the Lottery Licence will not be entertained after the commencement of the event. Before the commencement of the event, if you want to print more tickets than that stated in your application, you have to make your request to OLA in writing. Since the total number of tickets to be sold has increased, the net amount of proceeds to be raised from the lottery will also be increased. You should therefore revise this amount accordingly in your letter to OLA. The amendment to the Lottery Licence can only be made once, and a fee of HK\$155 will be charged.

Q14: What details should I include in the announcement of lottery results in the newspapers?

A14: You should include the full name of the organisation granted with the Lottery Licence, the Lottery Licence Number, a complete winner list for all the prizes, prize collection method and contact details of the organisation.

Q15: Is there a standard format regarding the IE statement of the lottery? What information should be provided in the statement? What items can/cannot be included as an administrative expense?

A15: It should contain a review report and an IE statement endorsed by a certified public accountant. Specifically, you should provide information on the income, such as the number of raffle tickets sold and the total proceeds thus generated [apart from the raffle proceeds, you should also list out cash donations (including other fund-raising activities in the same event as in Q10 above) which may be broken down into different items]; and all items of administrative expenses incurred in the conduct of the lottery, e.g., the cost of printing the lottery tickets, publishing the results of the draw in the newspapers, transportation, stationery, prizes and audit fee, etc. Please note that remuneration for the workers and volunteers should not be regarded as an administrative expense item and should not be included. Please also note that you should keep the administrative expenses as low as possible, which should not be more than 20% of the total proceeds received from the sale of lottery tickets. A sample IE statement is at Appendix V.

Q16: What information should be provided in the Audited Annual Financial Statement?

A16: An Annual Financial Statement audited by a practice unit should show the income and expenditure of the lottery activity, and the whereabouts of the net proceeds in meeting the approved purpose(s) of the lottery event. The information may be shown in the form of “note to account” if appropriate. Besides, you should submit Annual Report / Newsletter / track record of organisation’s activities/charitable works of the relevant year if required.

Q17: A licence condition provides that in preparing an IE statement regarding the lottery event, we have to “obtain a written report made by a practice unit within the meaning of the Professional Accountants Ordinance...”. What is the meaning of a “practice unit”? What should the written report contain?

A17: A “practice unit” refers to a certified public accountant (CPA). You may approach the Hong Kong Institute of Certified Public Accountants (HKICPA) which keeps a list of CPAs registered in Hong Kong. Their address is 37/F, Wu Chung House, 213 Queen’s Road East, Wanchai, Hong Kong.

As regards the “written report”, all CPAs, as members of the HKICPA, may make reference to “Practice Note 852 Review of Lottery Accounts” in the preparation of the written reports. If in doubt, please approach HKICPA for advice.

Q18: What should I do if I want to make an amendment to the cash-counting record?

A18: Any amendment to the cash-counting record should be jointly signed and dated next to the amendment by the same witnessing person(s) and counting staff/volunteer(s) who have previously signed on the same cash-counting record. You should notify OLA in writing of such amendment after submission, with a revised and signed copy of the cash-counting record to OLA as soon as possible.

Q19: How can we enhance our governance and internal control when organizing lottery activities?

A19: The Corruption Prevention Department of the Independent Commission Against Corruption (ICAC) has published the “Best Practice Checklist - Management of Charities and Fund-Raising Activities” to provide a practical guide on good governance and internal control for use by charitable organisations when organizing fund-raising activities. Lottery organisers are therefore advised to read the booklet which can be downloaded from ICAC’s homepage at www.icac.org.hk/filemanager/en/Content_1031/fund_raising.pdf. For further information, please contact the ICAC Advisory Services Group of the Corruption Prevention Department (Telephone no.: 2526 6363, Fax no.: 2522 0505 and e-mail address: asg@cpd.icac.org.hk).

Q20: What should we do in case of loss of money collection bags/boxes, lottery tickets or associated materials, or any suspected fraudulent acts?

A20: In case of loss of money collection bags/boxes, lottery tickets or associated materials, or any suspected fraudulent acts, you must immediately contact the Police and report the incident to the OLA.

This form should be submitted to 10th Floor, Cityplaza 3, 14 Taikoo Wan Road, Taikoo Shing, Hong Kong. For application by post, please **affix sufficient stamp** to ensure delivery in order.

Appendix IX

Request Form for Inspection and Copy of Income and Expenditure Statement and Review Report of Lottery Event

To: Office of the Licensing Authority, Home Affairs Department (OLA)
(Please send the completed form to 10th Floor, Cityplaza 3, 14 Taikoo Wan Road, Taikoo Shing, Hong Kong or by fax to 2511 3860.)

1. I _____, hereby request to come to the OLA as follows:
(name on HKID Card)

- ① _____ a.m./p.m. on _____
② _____ a.m./p.m. on _____
③ _____ a.m./p.m. on _____
- } (please prioritize your
choices of date)

to inspect the Income and Expenditure (IE) Statement and the accompanying Review Report of the lottery event (Licence no. _____) organised by

(full name of organisation)

Please call me at _____ (telephone no. at which you can be reached during office hours) to confirm the booking.

2. I understand that I am required to show my HKID card to staff of OLA upon calling at the counter for identification purpose.
3. I understand that I am required to sign a Record Book to the effect that I have inspected the above-mentioned IE Statement and Review Report.
4. I understand that the above-mentioned IE Statement and Review Report are available on OLA's homepage (www.hadla.gov.hk/el).

I request for one set of black and white copy and I understand that a fee will be charged at \$1.2 per copy of A4 size paper and \$1.4 per copy of A3 size paper.

(Signature)

(Date)

Notes

1. The personal data provided in this form will be used for processing the above request.
2. For correction of or access to personal data given in this form, please contact Licensing Officer (Miscellaneous)3 of the OLA at 2117 3694.

Please tick (✓) as appropriate.

**Provision of Personal Data
in Connection with Application for Lottery Licence
under the Gambling Ordinance (Chapter 148)**

Purposes of Collection of Personal Data

The personal data provided by you or the solicitor/agency on your behalf to the Office of the Licensing Authority of Home Affairs Department (OLA) in connection with your application for lottery licence under Gambling Ordinance (Cap. 148) will be used for the following purposes—

- (a) to facilitate assessment of your application for the grant of the licence;
- (b) to facilitate enforcement of the laws, regulations or conditions in respect of the licence; and
- (c) to facilitate communication between the Government and yourself on your application and other relevant licensing matters.

The forms must be completed in full. If you do not provide sufficient information, OLA may not be able to process your application.

Transfer of Personal Data

2. The personal data you provide may be transferred to other Government departments for the purposes mentioned in paragraph 1 above.

Correction of and Access to Personal Data

3. For correction of or access to personal data given by you in the application, please contact Licensing Officer (Miscellaneous)³ of the OLA at 2117 3694.

Payment of Licence Fee

The licence fee is as follows—

<u>Licence</u>	<u>Amount of Fee</u>
Lottery	HK\$ 3,165

The licence fee may be paid by crossed cheque or in cash. It is preferable to pay the fee by cheque. Please indicate your preferred method of payment and collection of licence in the form of “Methods of Payment and Collection of Licence” at Appendix II.

Payment by Crossed Cheque

The cheque should be crossed and made payable to “The Government of the Hong Kong Special Administrative Region” and submitted together with the completed application form to the Office of the Licensing Authority of the Home Affairs Department, in person or by mail. The cheque should not be made payable to any individual officer. Please write your name on the back of the cheque. Post-dated cheque will not be accepted.

Payment in Cash

If you wish to pay the fee in cash, please bring along the completed application forms and the required amount of fee to the Office of the Licensing Authority in person. **Do not send cash by mail. No changes will be given.**

Refund

Please keep the original official receipt. In case the application is refused or withdrawn by you before the issue of licence, payment will be refunded only upon surrender of the original official receipt.

The address of the Office of the Licensing Authority and the Shroff Office service hours are listed as below—

Address : 10th Floor, Cityplaza 3, 14 Taikoo Wan Road,
Taikoo Shing, Hong Kong

Shroff Office service hours : 9:00 a.m. - 12:30 p.m. and 2:00 p.m. - 5:00 p.m.
(except Saturdays, Sundays and public holidays)