

Licensed Gaming Online – Enabling B.C. Charities to Increase Efficiencies and Reduce Administrative Burdens Through Computerization

In late 2014, the federal government amended the Criminal Code of Canada to begin allowing charities to use computers to operate raffles. Prior to these changes, only the British Columbia Lottery Corporation was authorized to operate gaming on or through a computer. All others, including charities, were prohibited. Now, with the opportunity for charities to use computers to conduct raffles, organizations will be able to modernize their fundraising systems.

British Columbia has developed new policies and standards to enable charities to sell and issue tickets online, conduct electronic financial transactions in real-time, and distribute prizes electronically. As well, new rules will allow certain charities to use certified electronic random number generators to determine the outcome of the raffle.

This document will help you understand Licensed Gaming Online. It will outline the reasons for who can and cannot conduct and manage a licensed raffle on or through a computer at this time. It will also provide general information on the rules and standards in place and describe the processes for obtaining a licence to conduct a computerized raffle. This document is supplementary to the [Guidelines – Applying for a Class A or Class B Gaming Event Licence](#) and the [Standard Procedures for Ticket Raffles](#).

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1. Introduction

In December 2014, the federal government amended the Criminal Code to lift the prohibition on certain provincially licensed raffles, enabling them to operate through computers. Subject to provincial licensing, the Criminal Code permitted three uses: (1) sale and distribution of tickets online (receipt of payment and instant financial transaction processing), (2) selection of a winner (electronic ticket draw using a random number generator) and (3) the distribution of prizes online. The amendment restricts these uses to ‘raffles’ (such as 50/50 draws and standard ticket raffles) and for licensed gaming that falls under a specific section of the Criminal Code.

This change represents a significant shift in the way provincially licensed raffles can be conducted and presents a substantial opportunity for certain B.C. gaming licensees to increase efficiencies and reduce administrative burdens on raffle events and in turn maximize gaming revenues for eligible programs.

2. About Licensed Gaming Online

The Gaming Policy and Enforcement Branch (GPEB) is undertaking Licensed Gaming Online, a plan that will allow some eligible gaming event licensees to operate ticket raffles on or through a computer. The plan will have at least two (2) phases and will be evaluated to identify, assess and correct any challenges along the way. Each phase is expected to last approximately two years depending on the success of the implementation.

The first phase of Licensed Gaming Online will begin January 25, 2016.

3. Who can participate in Licensed Gaming Online in phase 1?

In phase 1, participation will be limited to the following types of licensees and computerized activities:

| Allowed Use of Computerized Electronic Systems: | Eligible Applicants: |
|--|--------------------------------|
| Online Ticket Sales – To sell tickets through the Internet by way of a real time processing and payment system and where the purchaser’s ticket is paid for immediately online. | Class A raffle licensee |
| Online Ticket Distribution – To send a purchaser a ticket by email or through the Internet and where the purchaser downloads a copy of the ticket. | Class A raffle licensee |

| Allowed Use of Computerized Electronic Systems: | Eligible Applicants: |
|--|---|
| Electronic Ticket Draw – To determine a prize winner by conducting an electronic draw using computer software or a computer application that utilizes a GPEB certified software random number generator (RNG). | Class A registered raffle licensees conducting regular event raffles Class A licensees that have been approved for an electronic raffle system (ERS) |
| Online Prize Distribution – To send a winner a prize voucher by email or over the Internet and where the prize winner downloads a voucher or gift certificate for redemption. | Class A raffle licensee |
| Electronic Raffle System – A GPEB certified and inspected computer application, known as an Electronic Raffle System (ERS), that may include the use of hand held electronic devices to sell tickets and other computer software and related equipment to account for sales and facilitate the manual or electronic drawing of tickets to determine the winner. | Class A raffle licensee conducting single event percentage raffles (50/50) |

4. Why are some licensed groups excluded from participating in phase 1?

The federal government amended the Criminal Code in such a way that certain provincially licensed gaming events and organizations are not permitted to conduct their events on or through a computer. Those groups include Class C gaming licensees (such as fairs and exhibitions), Class D gaming licensees and non-raffle gaming events (such as bingo and poker).

Not all eligible organizations are permitted to participate in phase 1 of implementation because the branch will be identifying, assessing and correcting any challenges encountered along the way. Once any potential problems have been resolved in the first phase, the branch intends to begin to open up the use of computers to more groups of eligible gaming licensees and eventually permit all eligible licensees to access all three allowable computer uses.

5. What general rules and standards must organizations meet to operate computerized raffles?

A new appendix, Appendix D, has been added to the current [Standard Procedures for Ticket Raffles](#), which will outline the specific standards and rules that licensees must adhere to in addition to the existing procedures.

Generally, licensees that wish to sell raffle tickets online will need to ensure:

- That they are compliant with Payment Card Industry (PCI) data security standards for merchants;
- That they meet GPEB defined standards related to the security and control of the ticket raffle/sales platform and ticket inventory; and
- That they have a mechanism for ensuring that age and location are verified.

Generally, licensees that wish to select a winner through computerized means will need to ensure:

- GPEB has certified the platform software and the Random Number Generator (RNG) and
- GPEB's [TGS6 – Technical Gaming Standards for Electronic Raffle Systems](#) is met.

Generally, licensees that wish to distribute prizes online will need to ensure:

- The monetary value for each individual prize distributed does not exceed \$2,500;
- That there is a mechanism in place to verify the identity of the prize claimant prior to distribution; and
- That the licensee offers the prize winner the option of picking up their prize in person or having it mailed as applicable.

Licensees may choose to do one, two or all three of the computerized uses where permitted.

6. How does an organization apply to conduct a computerized raffle?

Detailed application instructions will be available on January 25, 2016 on the GPEB website at www.gaming.gov.bc.ca/licences/classA.htm. Applications will not be accepted before January 25, 2016. Already approved licensees may be able to request an amendment (see below) after January 25, 2016.

If your organization meets all the requirements of participation in phase 1 and wants to conduct a computerized raffle, you must submit a regular licence application online using the Gaming Online Service (GOS) (mailed or faxed applications will not be accepted). During the online application you will be asked to indicate if you plan to conduct a computerized raffle. If you answer 'yes', you will be asked to download an addendum form to provide additional information. Submit this form by email after you have submitted your online application.

In the Addendum to Application – Licensed Gaming Online, the applicant will indicate the planned uses of computerized electronic systems and provide further information on how it meets the specified requirements. This addendum and any additional required documentation must be submitted by email to gaming.branch@gov.bc.ca with the subject line: Addendum to Application – Class A Raffle Application.

If your organization already holds a class of licence that is eligible to participate in phase 1 and expires after January 2016 (for example, a licence for multiple single-day raffle events) and has not commenced ticket sales, you may apply directly to the branch to have your licence amended to include one or more of the computer uses. Please follow the instructions in section 3.1 of the [Standard Procedures for Ticket Raffles](#) and submit a completed copy of the Addendum to Application – Licensed Gaming Online to the branch.

7. How does the branch evaluate and approve applications?

Applications for licensing where one or more uses of computerized electronic systems are indicated will be reviewed by GPEB against the general eligibility criteria and general requirements for licensing (see [Guidelines – Applying for a Class A or Class B Gaming Event Licence](#)) as well as the specific eligibility and requirements related to the identified use of the computer (see [Standard Procedures for Ticket Raffles - Appendix D](#)).

An eligible organization may be contacted by GPEB about its systems and processes related to its planned use(s) of computerized electronic systems as identified in its application addendum form.

8. Related links

- [Guidelines – Applying for a Class A or Class B Gaming Event Licence](#)
- [Standard Procedures for Ticket Raffles](#) (see Appendix D)
- [TGS6 – Technical Gaming Standards for Electronic Raffle Systems](#)
- [Class A Gaming Event Licence – How to Apply](#) (will be updated January 25, 2016)
- [Addendum to Application – Licensed Gaming Online](#) (will be available January 25, 2016)

9. Contact Information

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