

## Trade promotions

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Information on running trade promotional lotteries including authorities, prizes, advertising, rules and record keeping

A trade promotion gaming activity is a free-entry lottery conducted to promote goods or services supplied by a business.

A trade promotion must genuinely promote goods or services apart from offering participation in the trade promotion gaming activity.

### Who can play?

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Anyone can participate in a trade promotion unless they are:

- conducting the trade promotion including determining the winners
- involved in the management of any benefiting business

Children can participate unless the rules of the trade promotion have an age limit.

### Entry requirements

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No entry or related fees are permitted.

Entry by purchasing goods or services at their normal retail value is allowed.

### Is an authority required?

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An authority is required if the total prize value for a single trade promotion exceeds \$10,000.

An authority can be issued for a selected period of 1, 3 or 5 years allowing multiple promotions to be run under a single authority.

[Apply for an authority.](#)

The application fee depends on the length of the authority.

Duration	Fixed Fee	Processing Fee	Total Fee	Total fee if lodged online
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1 year	\$106	\$319	\$425	\$393
3 years	\$319	\$319	\$638	\$606
5 years	\$532	\$319	\$851	\$819

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For online applications, there is a 10% processing fee discount.

## **Notification of commencement of gaming activity**

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If the gaming activity requires an authority, the operator must provide a copy of the gaming rules to NSW Fair Trading at least 10 working days before the proposed promotion takes place. Gaming activities cannot commence until notification is given via this [portal](#).

Please refer to this [template](#) when lodging the rules.

## **Written approval of benefiting business**

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The person or organisation conducting the trade promotion must have written consent from the benefiting business.

## **Promoting goods or services online**

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Businesses can promote their goods or services online including on social media.

The person or organisation promoting the business must comply with the rules of the trade promotion and all applicable requirements under the Community Gaming Laws.

This includes applying for a valid NSW authority if the promotion has a total prize value exceeding \$10,000 and is open to NSW residents, even if the operator lives outside of NSW.

## **Prizes**

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There is no maximum prize limit for trade promotions.

### **Eligible prizes**

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Prizes may consist of anything except a prohibited prize.

The following prizes are prohibited:

- a firearm, ammunition, an imitation firearm or a prohibited weapon within the meaning of the [Weapons Prohibition Act 1998](#)
- tobacco, smoking or vaping product

- cosmetic surgery and other procedures falling under Division 1A of Part 3 of the Poisons and Therapeutic Goods Act 1966
- more than 20 litres of liquor with an alcohol content not exceeding 20% by volume or more than 5 litres of liquor with an alcohol content exceeding 20% by volume
- any other prize that contravenes any other law of this State or the Commonwealth . For example, Charitable Fundraising Act 1991 (NSW) and Gaming Machines Act 2001 (NSW)

## **Unclaimed prizes**

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The rules should outline how an unclaimed prize will be dealt with.

- If a prize isn't claimed within a set period of time it can be forfeited and another draw can take place to determine a new winner. Otherwise, the prize must be preserved until it is awarded to the winner.
- Every reasonable effort must be taken to contact the prize winner. If contact can't be made, the operator must retain the prize for the time period stated in the rules.
- If no time is specified for an activity where an authority is required, the prize must be kept for at least 3 months after the draw. After this, steps may be taken to redetermine a winner.
- Perishable prizes, such as a meat tray, can be disposed of or sold for a reasonable price. The money (after sale or disposal costs) must be held in trust for the winner.

## **Changes to rules**

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If there any changes to the rules for a gaming activity, you must take all reasonable steps to notify the participants or make the information publicly available within a reasonable time before the activity takes place.”

If an authority is required for the gaming activity, any substantial change must be reported to NSW Fair Trading by filling out a Changes to Gaming Activity notification form.

## **Advertising**

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The rules of the trade promotion must be clearly advertised to enable potential participants to make informed decisions about entering.

Where it's not possible to publish the rules in an advertisement or on a ticket, the included information must state where the rules can be found such as a website.

However, any unusual or onerous conditions must be clearly and prominently stated on the outside of the product, without the consumer having to purchase the product or service to discover those details.

### **Advertising material must not:**

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- encourage a breach of the law
- depict children participating in the gaming activity

- suggest that winning will be a definite outcome of participating in the gaming activity
- suggest that participating in the gaming activity will definitely improve a person's financial prospects

If your gaming activity requires an authority, all advertising material must clearly display the authority number.

## **Administration**

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Where applicable, the following requirements apply to gaming activities.

### **Organiser expenses**

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Unless participation is free, you may incur reasonable expenses for:

- the cost of producing or obtaining the tickets or cards
- advertising and promotion
- hiring or operating a device, or premises
- the cost of prizes, and prize money
- salaries, wages and commission paid to persons assisting in the conduct of the gaming activity
- auditing accounts relating to the gaming activity
- other amounts that, under an authority, a person or organisation is permitted to deduct from money received in connection with the gaming activity.

### **Commissions**

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Generally, funds received from the conduct of a trade promotion cannot be offered as remuneration to any person if the gaming activity requires an authority (i.e. total prize value exceeds \$10,000).

Exemptions apply if the payment is:

- a commission or remuneration for services rendered in connection with the activity; and
- it is provided under a written agreement with the person/body conducting the gaming activity; and
- the agreement specifies the services to be rendered, the commission/remuneration to be provided and the term of the agreement

There are no restrictions on commissions or remuneration for trade promotions if the total prize value is less than \$10,000.

### **Proceeds**

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You must deposit proceeds from your gaming activity into an account at an authorised deposit-taking institution no later than 2 business days after the money is received.

### **Record keeping**

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There is no requirement to keep records for conducting trade promotion gaming activities.

However, maintaining records is recommended, as this will help properly manage activities.

## **Auditing**

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If the annual gross proceeds of your gaming activity exceed \$250,000, the accounts must be audited by a qualified auditor.

This includes accounts that relate to receipts and expenses.

## **Contact us**

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- [online](#)
- by phone on 13 32 20, or
- email: [CElottery@customerservice.nsw.gov.au](mailto:CElottery@customerservice.nsw.gov.au)

[Prev](#) Sweeps and calcuttas

[Next](#) Promotional raffles

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<https://www.fairtrading.nsw.gov.au/community-gaming/trade-promotion-lottery>

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