

**Issue of Trade Promotion Competition Licence
under the Gambling Ordinance (Cap. 148)
Frequently Asked Questions**

1. What is a Trade Promotion Competition Licence (TPCL)?

A trade promotion competition, as defined by the Gambling Ordinance established to regulate gambling activities, is a competition or scheme conducted for the purpose of promoting a trade/business/product sale by way of a game that distributes or allots prizes by lot/chance. Typical examples are lucky draws organised by department stores and restaurants to boost sales and promote business. Anyone who wishes to conduct a trade promotion competition in Hong Kong must apply for a TPCL from the public officer appointed by the Secretary for Home and Youth Affairs.

2. How many TPCLs does an organisation require if it wishes to conduct daily draws during a certain period, say a month?

The number of TPCLs required depends on the relationship between the daily draws. If there is no connection between draws, i.e., the pool of those who did not win the daily prize on day 1 is not carried forward to the pool on day 2, they are regarded as separate and independent trade promotion competitions; hence, one TPCL is required for each daily draw. If, in contrast, the daily draws are to be conducted on a cumulative basis, i.e., those who did not win a daily prize on day 1 are added to the day 2 pool or those who failed to win a daily prize during the month are pooled together for a grand draw, only one TPCL is required for the entire event.

3. Are there any restrictions on the types of games, tools and prizes that can be involved in a trade promotion competition?

Any game that carries an explicit gambling connotation or serves as an alternative form of authorized gambling (e.g., a game in a casino, a mahjong, bingo or card game, guessing the results of football matches/horse races, Mark Six-type games, etc.) is forbidden. Likewise, such gambling tools and symbols as slot machines, roulette wheels, cards, chips, mahjong tiles and dice should not be employed, and such prizes as Mark Six tickets and mahjong tiles are not permitted. In addition, games that are not socially sanctioned are discouraged.

4. If I plan to conduct a trade promotion competition through an agent, should my company or that of the agent be the licence applicant?

If your company is a registered business in Hong Kong, it should be the applicant. However, you can still appoint an agent company to conduct the competition on your behalf. If the company wishing to conduct the trade promotion competition in Hong Kong is based overseas and has no branch office in Hong Kong, it should appoint and authorize an agent whose business is registered in Hong Kong to be the applicant. Please note that Form 7 must include details of the applicant company, and the licence is issued to that company.

5. Are there any restrictions on the title of the competition?

Licence condition (1) requires that no prize offered shall be a money prize. Even if the prizes offered are cash coupons, gift coupons or credit card spending credit, the competition should not carry such misleading titles as 'Great Chance to Win Cash' or '\$10,000 Lucky Draw'.

Moreover, the name of the prize sponsor cannot be included in the title if it is not a joint promotion event.

6. Can I conduct the competition through my distribution channels (such as department stores, chain stores, supermarkets, convenience stores, etc.)?

Yes, but you and your distribution channel(s) will each require a licence if it is a joint promotion event. As your distribution channel may conduct a competition of their own or other brands during yours, you are advised to clear with them the terms and conditions. For example, whether the winner of your competition will be allowed to retain the original receipt for joining other competitions.

7. Can I collect participants' information through different methods at the same time (such as by telephone registration, mail, fax, internet registration, email and SMS message)?

Yes, but the same entry (e.g., the same receipt number) should be counted once only to ensure equal winning chance for all participants. You should therefore remove all duplicate entries before drawing the winner(s).

8. Do I need to advertise the competition results in newspapers if it is an instant-win game where the winners claim their prizes on the spot?

Yes, you still need to place advertisements in newspapers which is a requirement by the law. Although the participants may not have left their personal particulars with you, you should account for the

completion of the event to the effect that all the winners have claimed their prizes. You are also advised to leave a contact telephone number and/or website in case your patrons have enquiries regarding the event.