

So You Want to Have a Contest?

Did you know that it's against the law to have a contest or draw that is based solely on chance? And that there are certain other legal requirements that need to be addressed when having a contest or draw? If not, the Office of General Counsel is here to help!

The Legal Requirements

Under Canada's *Criminal Code*, it is against the law to operate a contest or draw where the winner is determined solely by chance. That's why many contests require the winner to answer a "skill-testing question" before they can claim their prize. The inclusion of a skill-testing question makes the contest a game of mixed chance and skill, and brings it inside the provisions of the *Criminal Code*.

In addition to the *Criminal Code*, contests and draws are also required to comply with the federal *Competition Act*, which requires adequate disclosure be provided to participants about the particulars of the contest. These particulars include:

- the number and approximate value of the prize(s);
- the regional allocation of the prize(s), if applicable;
- any fact within the knowledge of the contest sponsor that materially affects the chances of winning;
- the dates the contest runs (start and end date);
- a statement that no purchase is necessary to enter the contest;
- the location where the full contest rules are available to be viewed and/or obtained;
- and
- the requirement that the contest participant needs to correctly answer a skill-testing question.

Failure to comply with the above requirements, or distribute the prizes in an adequate period of time, can result in significant monetary penalties being levied against the University.

How We Can Help

The Office of General Counsel has developed a form of checklist (<https://drive.google.com/open?id=1g6eq2z2MMEIHps7WUF7ilAPb8MzxQmQWklGlbCF32YM>) that faculties, departments and units at the University can use when preparing to hold a contest or draw. The checklist sets out a number of options and considerations that

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are relevant to the contest's administration. Once complete, the checklist can then be returned to our Office for the creation of a specific set of contest/draw rules.

We generally require at least two (2) week's lead time to process the checklist and prepare the contest rules, so please keep that in mind as part of your planning process. We will work together to establish a set of comprehensive rules that will guide the administration of your contest, ensure compliance with the legal requirements, and help reduce the risk to the University.

Darin McKinley,
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