

INFORMATION BULLETIN No. 073

Pilot program permits the use of debit cards for the purchase of charitable gaming products (including break open tickets and bingo paper)

(August 26, 2013)

The Registrar of Alcohol and Gaming is pleased to announce the introduction of a pilot program that will allow third party retailers, charity licensees selling from their own premises and charitable bingo halls operating under s. 207(1)(b) of the *Criminal Code* (Canada) to accept debit cards as a form of payment for charitable gaming products. This change is the result of the Alcohol and Gaming Commission of Ontario's (AGCO) on-going consultation with industry stakeholders to modernize the Charitable Gaming industry

The introduction of this new payment method is intended to provide greater flexibility for the charitable gaming industry. The AGCO will work with stakeholders to ensure that the appropriate levels of accountability, trackability and transparency are in place while providing the appropriate options to allow the industry to adapt to a constantly changing marketplace.

Details of the pilot program are as follows:

- Debit cards may be accepted as a form of payment for charitable gaming products in third party retail locations, premises owned by the charity licensee and bingo halls operating under subsection 207(1)(b) of the *Criminal Code* (Canada).
- The prohibition on the use credit cards and personal or employee cheques as a form of payment for charitable gaming products will remain in effect as per section 1.11 of the Lottery Licence Terms and Conditions.
- Section 1.11 of the Lottery Licence Terms and Conditions will not apply to the sale of charitable gaming products by debit card transaction for the duration of this pilot program.
- As per the rules governing the use of proceeds, the costs associated with accepting debit cards for the purpose of charitable gaming products cannot be passed on to the charity licensees by third party retailers and bingo hall operators. Those costs will be absorbed by the third party retailers, charity licensees selling from their own premises and bingo hall operators.
- Charities holding a break open ticket (BOT) licence will have to review their contracts with third party retailers to ensure that none of the costs associated with accepting debit cards for the sale of BOTs or other charitable gaming products is passed on to the charities or to the customers purchasing the tickets.
- There will be no changes to the lottery reports required to be submitted to the licensing authority at the end of the licensing period.
- There will be no changes to the fee structure.

The pilot program will be for a one year period. At the conclusion of the pilot program, the AGCO will conduct a review to gauge its success. Specifically, the AGCO, working closely with the industry, will:

- Review the timelines for payment of lottery proceeds by third party retailers to charities when debit cards are used as a form of payment to ensure they are made in a timely manner;
- Review a report from the industry evaluating the frequency with which debit cards are used as opposed to cash;
- Evaluate stakeholder feedback on how transaction fees for the use of debit cards are being administered; and
- Review sales figures to determine the impact of the pilot and the effect debit cards have had on the industry.

The AGCO remains committed to working with charitable gaming stakeholders to identify opportunities to assist in helping to promote growth in the charitable gaming marketplace.

If you have any questions or require further clarification, please contact Rusty Parr, Senior Gaming Registration Officer, at 416 314-0539, or contact the AGCO's Customer Service Department at 416 326-8700 (in the GTA) or 1 800 522-2876 (toll free in Ontario).