

# Fact Sheet

GAMBLING FACT SHEET 13

## POKER

Holding poker games, poker tournaments, or poker evenings is legal in New Zealand, but depending upon the nature of the event there will be some restrictions on the way it is conducted. Poker is regulated according to the provisions of the Gambling Act 2003 (“the Act”).

As a general rule, poker tournaments or evenings can only be conducted in New Zealand if the purpose behind them is to raise funds for the community. The generation of any profit or commission for the organisers by a poker tournament may amount to a criminal offence and render the whole tournament unlawful. However, there are some exceptions to this general rule.

A game of poker in New Zealand, which is conducted outside of a casino falls into one of the Class 1, Class 2, Class 3 or ‘Private Gambling’ classes, as defined in the Gambling Act. To legally conduct poker you must follow the rules for the applicable class of gambling, as listed below:

### PRIVATE GAMBLING

“Private gambling” is gambling taking place at a private residence. Private gambling must meet the following conditions:

- All stakes must be given to the winners
- It must primarily be a social event
- No person can get a commission or other reward for conducting the gambling
- No one can pay for admission directly or indirectly
- There can be no deductions made from a player’s winnings
- People who do not live at the residence must not be induced by any means to come and play (e.g. no advertising).

### CLASS 1 GAMBLING

Poker games that do not take place at a private residence need to meet some different conditions to be legal gambling. Class 1 gambling is gambling that has potential stake and prize money per event totaling not in excess of \$500 each. The other conditions that class 1 gambling must meet are:

- all stake money, less any “actual, reasonable, and necessary costs” associated with conducting the gambling must be returned to players as prizes
- if the activity is conducted by a society, then proceeds must be used for “authorised purposes” (charitable or other purposes beneficial to the community)
- no person can get a commission for conducting the gambling (“conducting gambling” includes organising, managing, supervising, and promoting gambling or assisting in these activities)

- no person can get remuneration (such as salary or wages) for conducting the gambling
- the gambling must satisfy relevant regulations and game rules.

The relevant game rules for poker are the “Gambling Act (Prize Competition) Game Rules 2004”. These rules are designed to ensure that participants are well informed and that there is integrity in the event. For example, it is necessary that the rules and requirements of how the game will be played are made known to the participants. A copy of these rules can be found on the Department’s website at: [www.dia.govt.nz](http://www.dia.govt.nz)

### CLASS 2 AND CLASS 3 GAMBLING

Poker that includes stake money exceeding \$500 per event will either be class 2 or class 3 gambling. Gambling that has a prize limit not exceeding \$5000, and a turnover less than \$25,000 per event, is classified as class 2 gambling. Class 3 gambling is for gambling with prizes in excess of \$5000 per event.

The purpose of the gambling activity for both class 2 and class 3 gambling must be to raise money for an “authorised purpose” (charitable or other purposes beneficial to the community). A society, rather than an individual person, must conduct the gambling activity. Other requirements include:

- no person can receive a commission or other reward for conducting the gambling
- no person can get remuneration (such as salary or wages) for conducting the gambling (class 2 only)
- the gambling must satisfy relevant regulations and game rules.

If the activity falls under the definition of class 3 gambling, it will require a licence from the Department. For a class 3 licence, the Department needs to assess the suitability of the organisers and other relevant key persons amongst other requirements.

To obtain a licence application for Class 3 gambling go to the gambling section of the Department’s website at [www.dia.govt.nz](http://www.dia.govt.nz) and look under forms.

### EVENTS WITHOUT AN ENTRY COST

Poker events that do not involve paying or staking money (or any other consideration) to enter may fall outside the definition of gambling and therefore not be restricted activities under the Gambling Act 2003.

[www.dia.govt.nz](http://www.dia.govt.nz)

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While reasonable measures have been taken to ensure the quality and accuracy of the information contained in this Fact Sheet it does not replace information contained in the Gambling Act 2003 or the Racing Act 2003 or any provisions pursuant to these Acts. This Fact Sheet is for general information only and is not a substitute for independent, professional legal or financial advice.