

Playing by the rules: Key insights for promotional contests in Canada

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Running a promotional contest is a fantastic way to boost sales, build brand awareness, and connect with your customers. Whether you're a business, marketer, or influencer, before you dive in, it's important to know that there are a lot of rules and regulations you need to follow in Canada. If you don't, you could face some serious consequences—including hefty penalties that could reach up to 3 per cent of your business's annual global gross revenues. So, if you're planning a contest, understanding the various legal requirements is crucial.

What are the main legal requirements?

Contests in Canada aren't just about being fun and engaging, they must also comply with some important laws. The Criminal Code and the Competition Act are the two main pieces of legislation that govern contests.

Criminal Code

The Criminal Code prohibits illegal lotteries where a purchase or other valuable consideration is required for participation, and with limited exceptions, where prizes are awarded solely based on chance. To avoid any issues, here's what you'll want to include:

- **No Purchase Necessary (NPN) Option:** Offering a way for people to enter without having to buy anything. This should be offered in a way that gives everyone an equal chance of winning, no matter how they enter.
- **Skill-Testing Question:** Requiring that potential winners answer a skill-testing question, without assistance, before they can claim a prize. This can be a math question (e.g., using BEDMAS), which is a typical way to meet this requirement.

Competition Act

This one's all about fairness and transparency. The law requires adequate and fair disclosure of certain mandatory information for all contests, including:

- The odds of winning.
- The number and value of the prizes.
- How prizes are distributed regionally.
- Any other important info that could affect someone's chances of winning.

These details should be easy to find on everything related to your contest—whether it's online, on printed materials, or on your product packaging. That way, participants can easily access all the information they need before entering.

The Competition Act also says that you cannot delay awarding prizes and that winners should be selected either randomly or based on skill.

Other rules you should keep in mind:

There are a few other important rules and regulations you'll need to consider when running your contest. Here are some key ones to watch out for:

- **Charter of the French Language:** If you are running a contest in Québec, make sure you're following the Charter of the French Language, which means all your contest materials need to be in French. The French version may be accompanied by a translation in another language, provided that the other language is not given greater prominence or made available on more favourable terms.
- **Minors:** If you are allowing minors to participate, make sure your contest follows the laws about eligibility and parental or guardian consent.
- **Privacy:** Privacy laws are a big deal when it comes to contests, so you'll need to make sure you're getting proper consent before collecting, using, or sharing personal information.
- **Intellectual Property:** Be careful with your contest name, logos, and any other creative assets as you don't want to accidentally infringe on someone else's intellectual property. Also, if you are using third-party brands, like offering a prize from a well-known brand, make sure you have their written permission to do so.
- **Anti-spam laws:** If you're promoting your contest through emails, texts, push notifications, or any other kind of electronic message, remember that Canada has strict anti-spam laws (CASL) that you will need to follow.
- **Regulated industries:** If your contest is related to industries like finance, alcohol, healthcare, or automotive, there are extra regulations to consider, so double-check to make sure you are fully compliant.

“Like, Tag, Win! ” - Social media contests:

If you are hosting a contest on social media, there are some extra things you need to know:

- Social platforms have their own rules and policies, so make sure to check them out before you get started. Most of the time, these policies will require you to make it clear that the platform isn't sponsoring or running the contest.

- If anyone is promoting a product or business as part of their contest entry, they need to disclose that connection. For example, they might need to use a hashtag like #XYZContest to let people know.

Need help? We 've got your back:

This is just a quick rundown of the requirements you need to keep in mind when running a contest in Canada. Staying on top of the applicable laws is important to protect your business from risks and fines.

If you have any questions or need help with writing contest rules or ensuring you're fully compliant, get in touch with our [Advertising & Marketing team](#).

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