



Betting and Gaming Duties Act 1981

1981 CHAPTER 63

PART I **U.K.**

BETTING DUTIES

^{F1} General betting duty

Textual Amendments

- F1** Cross-heading and ss. 1-5D substituted (6.10.2001 with effect as mentioned in art. 2 of the commencing S.I.) for ss. 1-5 by 2001 c. 9, s. 6, **Sch. 1**; S.I. 2001/3089, **art. 2**

^{F2} **The duty **U.K.****

A duty of excise to be known as general betting duty shall be charged in accordance with sections 2 to 5D.

Textual Amendments

- F2** Cross-heading and ss. 1-5D substituted (6.10.2001 with effect as mentioned in art. 2 of the commencing S.I.) for ss. 1-5 by 2001 c. 9, s. 6, **Sch. 1**; S.I. 2001/3089, **art. 2**

^{F3} **Bookmakers: general bets **U.K.****

- (1) General betting duty shall be charged on a bet made with a bookmaker who is in the United Kingdom.
- (2) Subsection (1) does not apply to—
 - (a) an on-course bet,
 - (b) a spread bet, ^{F4}...
 - (c) a bet made by way of pool betting^{F5}, or

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- (d) a bet made using a gaming machine, within the meaning of section 23 of the Value Added Tax Act 1994.]
- (3) The amount of duty charged in respect of bets made with a bookmaker in an accounting period shall be 15 per cent. of the amount of his net stake receipts for that period.

Textual Amendments

- F3** Cross-heading and ss. 1-5D substituted (6.10.2001 with effect as mentioned in art. 2 of the commencing S.I.) for ss. 1-5 by 2001 c. 9, s. 6, **Sch. 1**; S.I. 2001/3089, **art. 2**
- F4** Word in s. 2(2) repealed (19.7.2006) by **Finance Act 2006 (c. 25)**, s. 178, **Sch. 26 Pt. 2**
- F5** S. 2(2)(d) and preceding word added (with effect as mentioned in s. 9(2) of the amending Act) "after paragraph (c)" by virtue of **Finance Act 2006 (c. 25)**, s. 9(1)(2)

^{F63} **Bookmakers: spread bets** **U.K.**

- (1) General betting duty shall be charged on a spread bet made with a bookmaker who—
- is in the United Kingdom,^{F7} . . .
 - ^{F7}
- [^{F8}(2) A bet is a spread bet if it constitutes a contract the making or accepting of which is a regulated activity within the meaning of section 22 of the Financial Services and Markets Act 2000.]
- (3) The amount of duty charged under subsection (1) in respect of spread bets made with a bookmaker in an accounting period shall be—
- 3 per cent. of the amount of his net stake receipts in respect of financial spread bets for that period (if any), plus
 - 10 per cent. of the amount of his net stake receipts in respect of other spread bets for that period (if any).
- (4) A “financial spread bet” is a spread bet the subject of which is a financial matter.
- (5) The Commissioners may by order provide that a specified matter—
- shall be treated as a financial matter for the purpose of subsection (4), or
 - shall not be treated as a financial matter for that purpose.

Textual Amendments

- F6** Cross-heading and ss. 1-5D substituted (6.10.2001 with effect as mentioned in art. 2 of the commencing S.I.) for ss. 1-5 by 2001 c. 9, s. 6, **Sch. 1**; S.I. 2001/3089, **art. 2**
- F7** S. 3(1)(b) and preceding word repealed (19.7.2007) by **Finance Act 2007 (c. 11)**, ss. 105, 114, **Sch. 25 paras. 4(2), 23, Sch. 27 Pt. 6(3)**
- F8** S. 3(2) substituted (19.7.2007) by **Finance Act 2007 (c. 11)**, s. 105, **Sch. 25 paras. 4(3), 23**

[^{F94} **Pool betting on horse and dog races** **U.K.**

- (1) General betting duty shall be charged on pool betting which—
- relates only to horse racing or dog racing, and
 - is not on-course betting.

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- (2) But subsection (1) does not apply to pool betting if—
 - (a) the promoter is outside the United Kingdom, and
 - (b) it is conducted otherwise than by means of a totalisator situated in the United Kingdom.
- (3) The amount of duty charged under subsection (1) in respect of bets made by means of facilities provided by a person in an accounting period shall be 15 per cent. of the amount of his net stake receipts for the period.]

Textual Amendments

- F9** S. 4 substituted (with effect as mentioned in s. 15(10) of the amending Act) by [Finance Act 2004 \(c. 12\), s. 15\(2\)](#)

^{F10}5 **Net stake receipts** **U.K.**

- (1) For the purposes of a charge under a provision of sections 2 to 4 in respect of the class of bets to which the provision applies, the amount of a person's net stake receipts for an accounting period is X minus Y, where—
 - (a) X is the aggregate of amounts which fall due to that person in the accounting period in respect of bets of that class made with him, and
 - (b) Y is the aggregate of amounts paid by the person in that period by way of winnings to persons who made bets of that class with him (irrespective of when the bets were made or determined).
- (2) Where—
 - (a) a person makes a bet other than a spread bet, and
 - (b) the sum which he will lose if unsuccessful is known when the bet is made, that sum shall be treated for the purposes of subsection (1)(a) as falling due when the bet is made (irrespective of when it is actually paid or required to be paid).
- (3) Where the amount of a person's net stake receipts is zero or a negative amount, it shall be disregarded for the purposes of sections 2 to 4 [^{F11}except as provided for by section 5AA].
- (4) In calculating an amount due to a person in respect of a bet, no deduction shall be made in respect of—
 - (a) any other benefit secured by the person who makes the bet as a result of paying the money,
 - (b) a person's expenses, whether in paying duty or otherwise, or
 - (c) any other matter.
- (5) Where a person makes a bet in pursuance of an offer which permits him to pay nothing or less than the amount which he would have been required to pay without the offer, he shall be treated for the purposes of this section as being due to pay that amount—
 - (a) to the person with whom the bet is made, and
 - (b) at the time when the bet is made.
- (6) For the purpose of subsection (1)(b)—

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- (a) the reference to paying an amount to a person includes a reference to holding it in an account if the person is notified that the amount is being held for him in the account and that he is entitled to withdraw it on demand,
 - (b) the return of a stake shall be treated as a payment by way of winnings, and
 - (c) only payments of money shall be taken into account.
- (7) In the application of this section to a charge under [^{F12}section 4(1)], a reference to bets made with a person shall be treated as a reference to bets made by means of facilities provided by him.

Textual Amendments

- F10** Cross-heading and ss. 1-5D substituted (6.10.2001 with effect as mentioned in art. 2 of the commencing S.I.) for ss. 1-5 by 2001 c. 9, s. 6, **Sch. 1**; S.I. 2001/3089, **art. 2**
- F11** Words in s. 5(3) inserted (with application as mentioned in s. 6(6) of the amending Act) by [Finance Act 2003 \(c. 14\), s. 6\(2\)](#)
- F12** Words in s. 5(7) substituted (with effect as mentioned in s. 15(10) of the amending Act) by [Finance Act 2004 \(c. 12\), s. 15\(3\)](#)

[^{F13}5AA] **Relief for losses** **U.K.**

- (1) This section applies where the amount of a person's net stake receipts for an accounting period in respect of a class of bets (calculated in accordance with section 5(1)) is a negative amount.
- (2) That amount shall be carried forward to the following accounting period and, to the extent that it does not exceed it, deducted from the amount of the person's net stake receipts in respect of the same class of bets for that period.
- (3) If the amount of those net stake receipts for that following accounting period—
- (a) is not a positive amount, or
 - (b) is less than the amount carried forward,
- the amount carried forward or, as the case may be, the balance of it shall be treated for the purposes of this section as if it were a negative amount of net stake receipts for that period in respect of the same class of bets.]

Textual Amendments

- F13** S. 5AA inserted (with application as mentioned in s. 6(6) of the amending Act) by [Finance Act 2003 \(c. 14\), s. 6\(3\)](#)

[^{F14}5AB] **Betting exchanges** **U.K.**

- (1) This section applies where—
- (a) one person makes a bet with another person using facilities provided by a third person in the course of a business, and
 - (b) that business is one that does not involve the provision of premises for use by persons making or taking bets.

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- (2) General betting duty shall be charged on the amounts (“commission charges”) that the parties to the bet are charged, whether by deduction from winnings or otherwise, for using those facilities.
- (3) No deductions shall be allowed from commission charges.
- (4) The amount of duty charged under this section in respect of bets determined in an accounting period shall be 15 per cent of the commission charges relating to those bets.
- (5) For the purposes of this section, and section 5B(4) so far as relating to this section, a person who arranges for facilities relating to a bet to be provided by another person shall be treated as providing them himself (and the other person shall not).]

Textual Amendments

F14 S. 5AB inserted (with application as mentioned in s. 7(5)(6) of the amending Act) by [Finance Act 2003 \(c. 14\)](#), s. 7(2)

5A **U.K.**

F15

Textual Amendments

F15 S. 5A repealed (with application as mentioned in s. 6(6) of the amending Act) by [Finance Act 2003 \(c. 14\)](#), ss. 6(4), 216, [Sch. 43 Pt. 1\(1\)](#)

F16 **5B** **Liability to pay** **U.K.**

- [^{F17}(1) All general betting duty chargeable in respect of—
- (a) bets made in an accounting period, or
 - (b) in the case of duty chargeable under section 5AB, bets determined in an accounting period,
- shall become due at the end of that period.]
- (2) In the case of bets made with a bookmaker in an accounting period the general betting duty shall be paid—
 - (a) when it becomes due, and
 - (b) by the bookmaker.
 - (3) But general betting duty which is due to be paid by a bookmaker in respect of bets may be recovered from the following persons as if they and the bookmaker were jointly and severally liable to pay the duty—
 - (a) the holder of a [^{F18}general betting operating licence (in Great Britain), or a bookmaker's permit (in Northern Ireland),] for the business in the course of which the bets were made;
 - (b) a person responsible for the management of that business;
 - (c) where the bookmaker is a company, a director.

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- (4) In the case of bets made in an accounting period by means of facilities provided by a person as described in [F19 section 4(1)] [F20 or 5AB] the general betting duty shall be paid—
- (a) when it becomes due, and
 - (b) by the person who provides the facilities.
- (5) This section is without prejudice to paragraph 2 of Schedule 1 to this Act or regulations made under it.

Textual Amendments

- F16** Cross-heading and ss. 1-5D substituted (6.10.2001 with effect as mentioned in art. 2 of the commencing S.I.) for ss. 1-5 by 2001 c. 9, s. 6, **Sch. 1**; S.I. 2001/3089, **art. 2**
- F17** S. 5B(1) substituted (with application as mentioned in s. 7(5)(6) of the amending Act) by **Finance Act 2003 (c. 14), s. 7(3)(a)**
- F18** Words in s. 5(3)(a) substituted (1.9.2007) by **Finance Act 2007 (c. 11), s. 105, Sch. 25 paras. 5, 23; S.I. 2007/2532, art. 2**
- F19** Words in s. 5B(4) substituted (with effect as mentioned in s. 15(10) of the amending Act) by **Finance Act 2004 (c. 12), s. 15(3)**
- F20** Words in s. 5B(4) inserted (with application as mentioned in s. 7(5)(6) of the amending Act) by **Finance Act 2003 (c. 14), s. 7(3)(b)**

^{F21}5C **Bet-brokers** **U.K.**

- (1) This section applies where—
- (a) one person (the “bettor”) makes a bet with another person (the “bet-taker”) using facilities provided in the course of a business [F22, other than a betting-exchange business,] by a third person (the “bet-broker”), or
 - (b) one person (the “bet-broker”) in the course of a business makes a bet with another person (the “bet-taker”) as the agent of a third person (the “bettor”) (whether the bettor is a disclosed principal or an undisclosed principal).

[F23 In paragraph (a) “betting-exchange business” means a business such as is mentioned in section 5AB(1).]

^{F24}(2)

^{F24}(3)

- (4) ^{F24}... , for the purposes of sections 2 to 5B—
- (a) the bet shall be treated as if it were made separately by the bettor with the bet-broker and by the bet-broker with the bet-taker,
 - (b) the bet-broker shall be treated as a bookmaker in respect of the bet,
 - (c) the aggregate of amounts due to be paid by the bettor in respect of the bet shall be treated as being due separately to the bet-broker and to the bet-taker (and any amount due to be paid by the bet-broker to the bet-taker shall be disregarded), and
 - (d) a sum paid by the bet-taker by way of winnings in respect of the bet shall be treated as having been paid separately by the bet-taker and by the bet-broker at that time and for that purpose (and any sum paid by the bet-broker shall be disregarded).

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- (5) This section does not apply—
- (a) to bets made by way of pool betting, ^{F25} . . .
 - (b) ^{F25}
- (6) Where there is any doubt as to which of two persons is the bettor and which the bet-taker for the purposes of subsection (1)(a), whichever of the two was the first to use the facilities of the bet-broker to offer the bet shall be treated as the bet-taker.

Textual Amendments

- F21** Cross-heading and ss. 1-5D substituted (6.10.2001 with effect as mentioned in art. 2 of the commencing S.I.) for ss. 1-5 by 2001 c. 9, s. 6, **Sch. 1**; S.I. 2001/3089, **art. 2**
- F22** Words in s. 5C(1)(a) inserted (with application as mentioned in s. 7(5)(6) of the amending Act) by **Finance Act 2003 (c. 14), s. 7(4)(a)**
- F23** Words in s. 5(3) inserted (with application as mentioned in s. 7(5)(6) of the amending Act) by **Finance Act 2003 (c. 14), s. 7(4)(b)**
- F24** S. 5C(2)(3) repealed (with application as mentioned in s. 7(5)(6) of the amending Act) by **Finance Act 2003 (c. 14), ss. 7(4)(c), 216, Sch. 43 Pt. 1(1)**
- F25** S. 5C(5)(b) and preceding word repealed (19.7.2007) by **Finance Act 2007 (c. 11), ss. 105, 114, Sch. 25 paras. 6, 23, Sch. 27 Pt. 6(3)**

^{F26}**5D** **Accounting period** **U.K.**

- (1) For the purposes of sections 2 to 5C—
- (a) each calendar month is an accounting period, but
 - (b) the Commissioners may provide in regulations under paragraph 2 of Schedule 1 to this Act for some other specified period to be an accounting period.
- (2) Regulations made by virtue of subsection (1)(b) may—
- (a) make provision which applies generally or only in relation to a specified person or class of person;
 - (b) make different provision for different purposes;
 - (c) make transitional provision.]

Textual Amendments

- F26** Cross-heading and ss. 1-5D substituted (6.10.2001 with effect as mentioned in art. 2 of the commencing S.I.) for ss. 1-5 by 2001 c. 9, s. 6, **Sch. 1**; S.I. 2001/3089, **art. 2**

Status:

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Changes to legislation:

There are currently no known outstanding effects for the Betting and Gaming Duties Act 1981,
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