
Changes to legislation: There are currently no known outstanding effects for the Finance Act 2012, Cross Heading: Amendment of VATA 1994. (See end of Document for details)

SCHEDULES

SCHEDULE 24

MACHINE GAMES DUTY

PART 3

VAT EXEMPTION

Amendment of VATA 1994

63 For section 23 of VATA 1994 substitute—

“23 Value of supplies involving relevant machine games

- (1) If a person plays a relevant machine game, then for the purposes of VAT the amount paid by the person is to be treated as consideration for a supply of services to that person.
- (2) “Relevant machine game” is defined in section 23A.
- (3) The value to be taken as the value of supplies made by a person (“the supplier”) in the circumstances mentioned in subsection (1) in any period is to be determined as if the consideration for the supplies were reduced by an amount equal to X.
- (4) X is the amount (if any) paid out in that period by way of winnings in respect of relevant machine games made available by the supplier (whether the games were played in the same period or an earlier one).
- (5) X does not include any winnings paid out to the supplier or a person acting on the supplier's behalf.
- (6) Inserting a token into a machine on which a relevant machine game is played is to be treated for the purposes of subsection (1) as the payment of an amount equal to that for which the token can be obtained.
- (7) Providing a specified kind of token by way of winnings is to be treated for the purposes of subsection (4) as the payment out of an amount by way of winnings equal to the value of the token.
- (8) A specified kind of token is—
 - (a) a token that can be inserted into the same machine to enable games to be played on the machine, or
 - (b) a token that is not of such a kind but can be exchanged for money.
- (9) The value of a specified kind of token is—

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- (a) for a token within subsection (8)(a), an amount equal to that for which the token can be obtained, and
 - (b) for a token within subsection (8)(b), an amount equal to that for which the token can be exchanged.
- (10) If it is not reasonably practicable to attribute payments and winnings to relevant machine games or to apportion them between relevant machine games and other games or other activities, any attribution or apportionment is to be done on a just and reasonable basis.
- (11) For the purposes of this section, a person plays a game if the person participates in the game—
- (a) whether or not there are other participants in the game, and
 - (b) whether or not a computer generates images or data taken to represent the actions of other participants in the game.

23A Meaning of “relevant machine game”

- (1) A “relevant machine game” is a game (whether of skill or chance or both) that—
- (a) is played on a machine for a prize, and
 - (b) is not excluded by subsection (2).
- (2) A game is excluded by this subsection if—
- (a) takings and payouts in respect of it are taken into account in determining any charge to machine games duty,
 - (b) it involves betting on future real events,
 - (c) bingo duty is charged on the playing of it or would be so charged but for paragraphs 1 to 5 of Schedule 3 to the Betting and Gaming Duties Act 1981 (exemptions from bingo duty),
 - (d) lottery duty is charged on the taking of a ticket or chance in it or would be so charged but for an express exception,
 - (e) it is a real game of chance and playing it amounts to dutiable gaming for the purposes of section 10 of the Finance Act 1997 or would do so but for subsection (3), (3B) or (4) of that section, or
 - (f) playing it amounts to remote gaming within the meaning of section 26A of the Betting and Gaming Duties Act 1981 (remote gaming duty: interpretation).
- (3) In this section—
- “game” does not include a sport;
 - “machine” means any apparatus that uses or applies mechanical power, electrical power or both;
 - “prize”, in relation to a game, does not include the opportunity to play the game again;
 - “real game of chance” means a game of chance (within the meaning of the Betting and Gaming Duties Act 1981) that is non-virtual.
- (4) The Treasury may by order amend this section.”

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- 64 (1) In Part 2 of Schedule 9 to that Act (exemptions: the groups), the provisions of Group 4 are amended as follows.
- (2) After Item 1 insert—
- “1A The provision of any facilities for the playing of dutiable machine games (as defined in Part 1 of Schedule 24 to the Finance Act 2012) but only to the extent that—
- (a) the facilities are used to play such games, and
- (b) the takings and payouts in respect of those games are taken into account in determining the charge to machine games duty.”
- (3) In Note (1)—
- (a) for “Item 1 does” substitute “Items 1 and 1A do”, and
- (b) omit paragraph (d) and the word “or” immediately preceding that paragraph.
- (4) After Note (1) insert—
- “(1A) Item 1 does not apply to the provision of facilities to the extent that the facilities are used to play a relevant machine game (as defined in section 23A).”
- (5) Accordingly—
- (a) in Part 2 of Schedule 9, in the heading of Group 4, after “GAMING” insert “, DUTIABLE MACHINE GAMES”, and
- (b) in Part 1 of that Schedule, in the Index, for “Betting, gaming and lotteries” substitute “Betting, gaming, dutiable machine games and lotteries”.
- 65 (1) Paragraph 9 of Schedule 11 to that Act (administration, collection and enforcement) is amended as follows.
- (2) For paragraph (a) substitute—
- “(a) to open any machine on which relevant machine games (as defined in section 23A) are capable of being played; and”.
- (3) In paragraph (b), for “subsection (2) of that section” substitute “section 23(3)”.
- (4) Accordingly, in the heading immediately before paragraph 9, for “*gaming machines*” substitute “*machines on which relevant machine games are played*”.

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