Draft Regulations laid before Parliament under section 355(4) of the Gambling Act 2005 for approval by resolution of each House of Parliament.

DRAFT STATUTORY INSTRUMENTS

## 2009 No. XXXX

# **BETTING, GAMING AND LOTTERIES**

# The Categories of Gaming Machine (Amendment) Regulations 2009

Made - - - 2009

*Coming into force in accordance with regulation 1(1)* 

The Secretary of State makes the following Regulations in exercise of the power conferred by sections 236 and 355(1) of the Gambling Act  $2005(\mathbf{a})$ .

In accordance with section 355(4) of that Act a draft of this instrument was laid before and approved by resolution of each House of Parliament.

#### Citation, commencement and interpretation

**1.**—(1) These Regulations may be cited as the Categories of Gaming Machine (Amendment) Regulations 2009 and come into force on the day after the day on which they are made.

(2) In these Regulations "the 2007 Regulations" means the Categories of Gaming Machine Regulations 2007(b).

#### Amendment of the 2007 Regulations

2.—(1) The 2007 Regulations are amended as follows.

(2) For regulation 3 substitute—

#### "Definition of Category D gaming machine

3.—(1) Where a machine is a money-prize machine, it is a Category D machine if—

- (a) the maximum charge for use is no more than 10 pence; and
- (b) the maximum prize value is no more than  $\pounds 5$ .

(2) Where a machine is a non-money prize machine (other than a crane grab machine), it is a Category D machine if—

- (a) the maximum charge for use is no more than 30 pence; and
- (b) the maximum prize value is no more than  $\pounds 8$ .
- (3) Where a machine is a crane grab machine, it is a Category D machine if-

<sup>(</sup>a) 2005 c. 19.

**<sup>(</sup>b)** S.I. 2007/2158.

- (a) the maximum charge for use is no more than £1; and
- (b) the maximum prize value is no more than  $\pounds 50$ .

(4) Where a machine is a coin pusher or penny fall machine, it is a Category D machine if—

- (a) the maximum charge for use is no more than 10 pence; and
- (b) the maximum prize value is no more than £15, of which no more than £8 may be a money prize.

(5) In any other case, a machine is a Category D machine if-

- (a) the maximum charge for use is no more than 10 pence; and
- (b) the maximum prize value is no more than £8, of which no more than £5 may be a money prize.

(6) In this regulation a reference to—

- (a) a money prize machine is a reference to a machine in respect of which every prize which can be won as a result of using the machine is a money prize;
- (b) a non-money prize machine is a reference to a machine in respect of which every prize which can be won as a result of using the machine is a non-money prize;
- (c) a crane grab machine is a reference to a non-money prize machine in respect of which—
  - (i) every prize which can be won as a result of using the machine consists of an individual physical object (such as a stuffed toy), and
  - (ii) whether or not a person using the machine wins a prize is determined by the person's success or failure in manipulating a device forming part of the machine so as to separate, and keep separate, one or more physical objects from a group of such objects;
- (d) a coin pusher or penny fall machine is a reference to a machine of the kind referred to in regulation 2(3) which is neither a money prize machine nor a non-money prize machine.

(7) Subject to paragraph (8), in this regulation "money prize" means a prize—

- (a) in the form of cash or a cheque (or partly in the form of cash and partly in the form of a cheque), or
- (b) in the form of a document or object which—
  - (i) enables the person entitled to it to redeem its value, on the premises where the machine is made available for use, in the form of cash or a cheque (or partly in the form of cash and partly in the form of a cheque), and
  - (ii) may, but need not, also enable that person to use it to pay for goods or services (including facilities for gambling) available on the premises where the machine is made available for use;

and "non-money prize" is any prize which is not a money prize.

(8) A document or object is not a money prize if it is something which ordinarily is capable of being used for a purpose other than one referred to in paragraph (7)(b).".

(3) In regulation 4—

- (a) for "50 pence" substitute "£1";
- (b) for " $\pounds 35$ " substitute " $\pounds 70$ ".

### **EXPLANATORY NOTE** (*This note is not part of the Regulations*)

These Regulations amend the Categories of Gaming Machine Regulations 2007 (S.I. 2007/2158) ("the 2007 Regulations") so as to increase the stake and prize limits for certain categories of machine.

Regulation 3 of the 2007 Regulations defines a Category D gaming machine for the purposes of the Gambling Act 2005 (c. 19)("the Act"). These Regulations substitute a new regulation 3, which differs from the previous version in the following respects:

- (a) A new definition of a "crane grab machine" is introduced in paragraph (6)(c) of the new regulation. A crane grab machine is defined as a non-money prize machine in respect of which two conditions are satisfied. The first is that every prize which can be won as a result of using the machine consists of an individual physical object (such as a stuffed toy). The second is that whether or not a person using the machine wins a prize is determined by the person's success or failure in manipulating a device forming part of the machine so as to separate and keep separate one or more physical objects from a group of such objects.
- (b) New maximum stake and prize limits are introduced for Category D gaming machines that are crane grab machines. For non-money prize machines in general, the maximum stake (charge for use) must be no more than 30 pence, and the maximum prize value must be no more than £8. This remains the case under paragraph (2) of the new regulation. However, under paragraph (3) of the new regulation, if the non-money prize machine is a crane grab machine, the maximum stake may be anything up to and including £1, and the maximum prize value may be anything up to and including £50.
- (c) A new definition of a "coin pusher or penny fall machine" is introduced in paragraph (6)(d) of the new regulation. These machines, commonly found in seaside arcades, are already substantially defined for an unrelated purpose in regulation 2(3), and the new definition adopts this, but also includes the additional requirement that the machine be neither a money-prize nor a non-money prize machine.
- (d) New maximum stake and prize limits are introduced for Category D gaming machines that are coin pusher or penny fall machines. Under paragraph (4) of the new regulation, if a machine is a coin pusher or penny fall machine the maximum stake may be anything up to and including 10 pence, and the maximum prize value may be anything up to and including £15.
- (e) The remainder of regulation 3 is substantially the same as the previous version, although rearranged slightly.

Regulation 4 of the 2007 Regulations defines a Category C machine for the purposes of the Act. These Regulations amend that definition so that the maximum charge for use for a Category C machine may be anything up to and including £1, and the maximum prize value for such a machine may be anything up to and including £70.

xx 2009

The amendments introduced by these Regulations follow from the result of two public consultations conducted by the Department for Culture, Media and Sport in August and November 2008. An Impact Assessment has been prepared and is annexed to the Explanatory Memorandum to these Regulations.

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