



Betting and Gaming Duties Act 1981

1981 CHAPTER 63

PART II

GAMING DUTIES

Gaming machine licence duty

[^{F1}21 Gaming machine licence duty.

- (1) Except in the cases specified in Part I of Schedule 4 to this Act, no gaming machine (other than [^{F2}an excepted machine]) shall be provided for gaming on any premises situated in [^{F3}the United Kingdom] unless there is for the time being in force—
 - (a) a licence granted under this Part of this Act with respect to the premises; or
 - (b) a licence so granted with respect to the machine.
- (2) A licence of either kind granted under this Part of this Act shall be known as a gaming machine licence; and in this Part “ordinary licence” means a licence falling within subsection (1)(a) above and “special licence” means one falling within subsection (1) (b).
- [^{F4}(3) A gaming machine licence may be granted for a period of a month, or of any number of months not exceeding twelve, beginning on any day of any month]
- [^{F5}(3A) For the purposes of this section an excepted machine is—
 - (a) a two-penny machine, or
 - (b) a five-penny machine which is a small-prize machine.]
- (4)

Textual Amendments

- F1** S. 21 substituted by Finance Act 1984 (c. 43, SIF 12:2), s. 7(1)(2) Sch. 3 Pt. I para. 2
- F2** Words in s. 21(1) substituted (27.7.1993 with application in relation to licences for any period beginning on or after 1.11.1993) by 1993 c. 34, s. 16(2)(9)

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- F3** Words substituted by Finance Act 1985 (c. 54, SIF 12:2), s. 8, **Sch. 5 Pt. I para. 1(1)**
- F4** S. 21(3) substituted (3.5.1994) by 1994 c. 9, s. 6, **Sch. 3 para. 1(2)**.
- F5** S. 21(3A) inserted (27.7.1993 with application in relation to licences for any period beginning on or after 1.11.1993) by 1993 c. 34, s. 16(3)(9)

Modifications etc. (not altering text)

- C1** S. 21(3) extended (1.5.1994 with effect as mentioned in Sch. 3 para. 5 of the amending act) by 1994 c. 9, s. 6, **Sch. 3 para. 5(5)(6)**.
S. 21(3) extended (3.5.1994 with effect in relation to gaming machine licences granted for any period beginning on or after 1.4.1994) by 1994 c. 9, s. 6, **Sch. 3 para. 4(3)(4)**.

[^{F6}21A. Special licences.

- (1) No special licence shall authorise more than one machine [^{F7}and no special licence shall authorise a machine which is not a small-prize machine.]]
- (2) An application for a special licence shall only be granted if—
 - (a) the Commissioners are satisfied that at least nine other special licences will be granted to the applicant, for the period to which that application relates, on applications made together with that application; or
 - (b) at least ten special licences, granted for that period and for the time being in force, are held by the applicant.
- (3) A special licence shall be taken not to be in force with respect to a gaming machine at any time when . . . ^{F8}the licence is not displayed in such manner as may be prescribed by regulations made by the Commissioners.

Textual Amendments

- F6** S. 21A inserted by Finance Act 1984 (c. 43, SIF 12:2), s. 7(1)(2), **Sch. 5 Pt. I para. 3**
- F7** Words added by Finance Act 1985 (c. 54, SIF 12:2), s. 8, **Sch. 5 Pt. I para. 2(1)**
- F8** Words repealed by Finance Act 1985 (c. 54, SIF 12:2), ss. 8, 98(6), Sch. 5 Pt. I, **Sch. 27 Pt. III** Note 2

22 Gaming machine licence duty.

- (1) A duty of excise shall be charged on gaming machine licences and the duty on a licence shall be determined [^{F9}in accordance with section 23 below]
- [^{F10}(2) For the purposes of this Act a gaming machine is a small-prize machine if the value or aggregate value of the benefits in money or money’s worth, which any player who is successful in a single game played by means of the machine may receive, cannot exceed [^{F11}£6]
- (3) The Commissioners may by order substitute for the sum for the time being mentioned in subsection (2) above such higher sum as may be specified in the order, with effect from a date so specified.]
- ^{F12}(5)
- (6) ^{F13}

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Textual Amendments

- F9** Words in s. 22(1) substituted (27.7.1993 with application in relation to licences for any period beginning on or after 1.11.1993) by 1993 c. 34, s. 16(4)(a)(9)
- F10** S. 22(2)(3) substituted for s. 22(2) to (4) by Finance Act 1985 (c. 54, SIF 12:2), s. 8, Sch. 5 Pt. I para. 3(2)
- F11** Words in s. 22(2) substituted (1.1.1993) by virtue of S.I. 1992/2954, art. 3(2)
- F12** S. 22(5) repealed (3.5.1994 with effect as mentioned in Sch. 3 para. 9 of the amending act) by 1994 c. 9, s. 6, Sch. 3 para. 1(3)(9), Sch. 26 Pt. II Note.
- F13** S. 22(6) repealed by Finance Act 1982 (c. 39, SIF 12:2), s. 157, Sch. 22 Pt. III Note

[^{F14}23] Amount of duty.

- (1) The amount of duty payable on a gaming machine licence shall be—
- the appropriate amount for the machine which it authorises, or
 - if it authorises two or more machines, the aggregate of the appropriate amounts for each of those machines.
- (2) The appropriate amount for each machine shall be determined in accordance with the following Table by reference to—
- the period for which the licence is granted, and
 - whether the machine falls within column 2 or column 3 of the Table,
- and references in this Part to a rate of gaming machine licence duty are references to the rate in column 2 or the rate in column 3.

[^{F15} TABLE

<i>(1) Period (in months) for which licence granted</i>	<i>(2) Small prize or five- penny machines</i>	<i>(3) Other machines</i>
	£	£
1	60	150
2	105	275
3	155	400
4	205	520
5	250	645
6	295	755
7	340	880
8	390	1,005
9	435	1,115
10	480	1,235
11	510	1,305
12	535	1,375]]

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Textual Amendments

- F14** S. 23 substituted (with effect on 1.5.1994) by 1994 c. 9, s. 6, **Sch. 3 para. 1(4)(9)**.
- F15** Table in s. 23(2) substituted (with application in relation to any gaming machine licence for which an application is made on or after 1.12.1994) by 1995 c. 4, s. 13(1)(2).

Modifications etc. (not altering text)

- C2** S. 23 extended (with effect in relation to gaming machine licences granted for any period beginning on or after 1.4.1994) by 1994 c. 9, s. 6, **Sch. 3 para. 4(3)(4)**.
- S. 23 extended (1.5.1994) by 1994 c. 9, s. 6, **Sch. 3 para. 5(5)(6)**.

24 Restrictions on provision of gaming machines.

- (1) ^{F16}
- ^{F17}(2)
- (3) Gaming machines chargeable at a particular rate shall not be provided on any ^{F18} . . . premises in excess of the number authorised by the licence [^{F19}or licences] authorising the provision of gaming machines chargeable at that rate [^{F20}; but any gaming machine with respect to which there is in force a special licence shall be disregarded for the purposes of this subsection].
- (4) Where a licence which authorises the provision of gaming machines chargeable at one rate only is in force in respect of any ^{F18} . . . premises, gaming machines chargeable at any other rate shall not be provided for gaming on those premises unless another licence authorising the provision of gaming machines chargeable at that other rate is also in force in respect of the premises [^{F21}or there are special licences in force with respect to those machines].
- (5) If any gaming machine is provided for gaming on any premises in contravention of [^{F22}section 21(1) above or] this section, [^{F23}the provision of the machine shall attract a penalty under section 9 of the Finance Act 1994 (civil penalties) and, for the purposes of the application of that section to the conduct attracting the penalty, the provision of the machine shall be treated as the conduct of each of the persons who, at the time when the gaming machine is provided]—
- is the owner, lessee or occupier of the premises, or
 - is for the time being responsible to the owner, lessee or occupier for the management of the premises, or
 - is a person responsible for issuing or exchanging coins or tokens for use in playing any gaming machine on the premises, or otherwise for controlling the use of any such machine, or
 - is for the time being responsible for controlling the admission of persons to the premises or for providing persons resorting thereto with any goods or services, or
 - is the owner or hirer of the machine, or
 - is a party to any contract under which a gaming machine may, or is required to, be on the premises at that time,
- ^{F24} . . .
- (6) If any gaming machine is provided for gaming on any premises in contravention of [^{F22}section 21(1) above or] this section and any such person as is mentioned in

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subsection (5) above knowingly or recklessly brought about the contravention or took any steps with a view to procuring it he shall be guilty of an offence and liable—

- [^{F25}(a) on summary conviction to a penalty—
- (i) of the prescribed sum, ^{F26} . . . , or to imprisonment for a term not exceeding six months or to both such penalty and imprisonment;]
 - (b) on conviction on indictment to a penalty of any amount or to imprisonment for a term not exceeding two years or to both.

Textual Amendments

- F16** S. 24(1) repealed by Finance Act 1984 (c. 43, SIF 12:2), ss. 7(1)(2), 128(6), Sch. 3 Pt. I para. 6(a), Sch. 23 Pt. II Note
- F17** S. 24(2) repealed (3.5.1994 with effect (1.5.1994) as mentioned in Sch. 3 para. 1(9)) by 1994 c. 9, ss. 6, 258, Sch. 3 para. 1(5)(a)(9), Sch. 26 Pt. II Note.
- F18** Word in s. 24(3)(4) repealed (3.5.1994 with effect (1.5.1994) as mentioned in Sch. 3 para. 1(9)) by 1994 c. 9, ss. 6, 258, Sch. 3 para. 1(5)(b)(9), Sch. 26 Pt. II Note.
- F19** Words inserted by Finance Act 1984 (c. 43, SIF 12:2), s. 7(1)(2), Sch. 3 para. 6(c)
- F20** Words added by Finance Act 1984 (c. 43, SIF 12:2), s. 7(1)(2), Sch. 3 para. 6(c)
- F21** Words added by Finance Act 1984 (c. 43, SIF 12:2), s. 7(1)(2), Sch. 3 para. 6(d)
- F22** Words inserted by Finance Act 1984 (c. 43, SIF 12:2), s. 7(1)(2), Sch. 3 para. 6(e)
- F23** Words in s. 24(5) substituted (1.1.1995) by 1994 c. 9, s. 9, Sch. 4 Pt. V para. 61(a) (with s. 19(3)); S.I. 1994/2679, art. 3.
- F24** Words after s. 24(5)(f) repealed (1.1.1995) by 1994 c. 9, ss. 9, 258, Sch. 4 Pt. V para. 61(b), Sch. 26 Pt. III Note (with s. 19(3)); S.I. 1994/2679, art. 3.
- F25** S. 24(6)(a) substituted by Finance Act 1982 (c. 39, SIF 12:2), s. 8, Sch. 6 Pt. V para. 12
- F26** Words in s. 24(6)(a) from “or” to “greater” repealed (3.5.1994 with effect as mentioned in Sch. 3 para. 1(9)) by 1994 c. 9, ss. 6, 258, Sch. 3 para. 1(5)(c)(9), Sch. 26 Pt. II Note.

VALID FROM 28/07/2000

[^{F27}24A Unlicensed machines: duty chargeable.

Schedule 4A to this Act (which provides for the recovery of amusement machine licence duty in relation to unlawfully unlicensed machines) shall have effect.]

Textual Amendments

- F27** S. 24A inserted (28.7.2000 with effect as mentioned in Sch. 2 para. 7(1) of the amending Act) by 2000 c. 17, s. 17, Sch. 2 para. 9

25 Meaning of “gaming machine”.

- (1) Subject to subsection (3) below, a machine is a gaming machine for the purposes of this Act if it is of the following description—
- (a) it is constructed or adapted for playing a game of chance by means of it;
 - (b) a player pays to play the machine (except where he has an opportunity to play without payment as the result of having previously played successfully), either by inserting a coin or token into the machine or in some other way; and

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- (c) the outcome of the game is determined by the chances inherent in the action of the machine, whether or not provision is made for manipulation of the machine by a player.
- (2) In subsection (1) above, “game of chance” includes a game of chance and skill combined and a pretended game of chance or of chance and skill combined; and the fact that a game contains an element of skill shall not prevent it being treated as a game of chance if nothing but superlative skill can overcome the element of chance.
- (3) A machine shall not be treated as a gaming machine for the purposes of this Act if either—
- (a) it is constructed or adapted so that a person playing it once and successfully receives nothing except an opportunity, afforded by the automatic action of the machine, to play again (once or more often) without paying, or
 - (b) it is constructed or adapted so that, where a person plays it once and successfully, that which he receives is determined by the automatic action of the machine and is either—
 - (i) a money prize not greater than the amount payable to play the machine once, or
 - (ii) a token which is, or two or more tokens which in the aggregate are, exchangeable only for such a money prize.
- [^{F28}(4) Subject to subsection (5) below, for the purposes of determining whether a machine is a gaming machine it is immaterial whether it is capable of being played by only one person at a time, or is capable of being played by more than one person.
- (5) For the purposes of sections 21 to 24 above a machine (the actual machine) which two or more persons can play simultaneously (whether or not participating with one another in the same game) shall, instead of being treated as one machine, be treated as if it were a number of machines (accountable machines) equal to the number of persons who can play the actual machine simultaneously.
- (6) Subsection (5) above does not apply to a machine which is a two-penny machine, or is both a small-prize machine and a five-penny machine.
- (7) If the actual machine is a small-prize machine but not a five-penny machine, the accountable machines shall be taken to be small-prize machines which are not five-penny machines.
- (8) If the actual machine is not a small-prize machine, the accountable machines shall be taken not to be small-prize machines, and in such a case—
- (a) if the actual machine is a five-penny machine, the accountable machines shall be taken to be five-penny machines;
 - (b) if the actual machine is not a five-penny machine, the accountable machines shall be taken not to be five-penny machines.
- (9) For the purposes of subsection (5) above the number of persons who can play a particular machine simultaneously shall be determined by reference to the number of individual playing positions provided on the machine.]

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Textual Amendments

F28 S. 25(4)-(9) substituted (27.7.1993 with application in relation to licences for any period beginning on or after 1.11.1993) for s. 25(4) by 1993 c. 34, s. 16(6)(9)

VALID FROM 01/05/1995

25A Power to modify definition of “amusement machine”.

- (1) The Treasury may by order modify the provisions of section 25 above—
 - (a) by adding to the machines for the time being specified in subsection (1)(e) of that section any description of machines which it appears to them, having regard to the use to which the machines are put, to be appropriate for the protection of the revenue so to add to those machines; or
 - (b) by deleting any description of machines for the time being so specified.
- (2) An order under this section may make such incidental, consequential or transitional provision as the Treasury think fit, including provision modifying section 21 or section 25(5A) above for the purpose of—
 - (a) specifying the circumstances (if any) in which a machine added to section 25(1)(e) above is to be an excepted machine for the purposes of section 21 above; or
 - (b) determining the number which, in the case of a machine so added, is to be taken into account for the purposes of section 25(5) above.

26 Supplementary provisions as to gaming machine licence duty.

- (1) The provisions of Part II of Schedule 4 to this Act (supplementary provisions as to gaming machine licence duty) shall have effect.
- (2) In sections 21 to 25 above and in Schedule 4 to this Act—
 - “coin” means coin lawfully current in the United Kingdom;
 - [^{F29}“United Kingdom” includes the territorial waters of the United Kingdom;
 - “small-prize machine” has the meaning given by section 22(2) above.]
 - [^{F30}“two-penny machine” means a gaming machine which can only be played by the insertion into the machine of a coin or coins of a denomination, or aggregate denomination, not exceeding 2p]
 - [^{F31}“five-penny machine” means a gaming machine which can only be played by the insertion into the machine of a coin or coins of a denomination, or aggregate denomination, not exceeding 5p; and]
 - “premises” includes any place whatsoever and any means of transport.
- (3) A machine is provided for gaming on any premises if it is made available on those premises in such a way that persons resorting to them can play it; and [^{F32}subject to subsection (3A) below] where on any premises one or more gaming machines are so made available, any such machine anywhere on the premises shall be treated as provided for gaming on those premises, notwithstanding that it is not so made available or is not in a state in which it can be played.

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[^{F33}(3A) The Commissioners may by regulations make provision for the purpose of enabling spare gaming machines to be kept on premises for use in the case of the breakdown of other gaming machines on those premises: and such regulations may provide that, in such circumstances and subject to such conditions as may be specified in the regulations, a gaming machine on any premises which is not made available as mentioned in subsection (3) above, or is not in a state in which it can be played, shall not be treated by virtue of that subsection as provided for gaming on those premises.]

[^{F34}(4) Where the game playable by means of a gaming machine can be played more than once for the insertion of a coin or coins of a denomination, or aggregate denomination, exceeding any sum in pence mentioned in ^{F35} . . . subsection (2) above, the machine is to be treated for the purposes of [^{F36}that provision] as if it can only be played by the insertion into it of a coin of a denomination not exceeding that sum if, in effect, the amount payable to play the game once does not exceed that sum or, where the machine provides differing numbers of games in differing circumstances, cannot exceed that sum.]

Textual Amendments

- F29** Entries substituted for entry relating to “Great Britain” by [Finance Act 1985 \(c. 54, SIF 12:2\)](#), s. 8, [Sch. 5 Pt. I para. 6](#)
- F30** Definition substituted for definition “penny machine” by [Finance Act 1982 \(c. 39, SIF 12:2\)](#), s. 8, [Sch. 6 Pt. V para. 14\(1\)](#)
- F31** Definition in s. 26(2) inserted (27.7.1993 with application in relation to licences for any period beginning on or after 1.11.1993) by [1993 c. 34, s. 16\(7\)\(9\)](#)
- F32** Words inserted by [Finance Act 1987 \(c. 16, SIF 12:2\)](#), s. 5(2)
- F33** [S. 26\(3A\)](#) inserted by [Finance Act 1987 \(c. 16, SIF 12:2\)](#), s. 5(3)
- F34** [S. 26\(4\)](#) inserted by [Finance Act 1982 \(c. 49, SIF 12:2\)](#), s. 8, [Sch. 6 Pt. V para. 14\(2\)](#)
- F35** Words in [s. 26\(4\)](#) repealed (3.5.1994 with effect on 1.5.1994) by [1994 c. 9, ss. 6, 258, Sch. 3 para. 1\(6\)\(a\)\(9\)](#), [Sch. 26 Pt. II Note](#).
- F36** Words in [s. 26\(4\)](#) substituted (3.5.1994 with effect on 1.5.1994) by [1994 c. 9, s. 6, Sch. 3 para. 1\(6\)\(b\)\(9\)](#).

VALID FROM 10/07/2003

^{F37}**26A Amounts in currencies other than sterling**

- (1) Any reference in this Part of this Act to a amount in sterling, in the context of—
 - (a) the cost of playing a game, or
 - (b) the amount of the prize for a game,
 includes a reference to the equivalent amount in another currency.
- (2) The equivalent amount in another currency, in relation to any day, shall be determined by reference to the London closing exchange rate for the previous day.
- (3) For the purposes of determining what duty is payable on an amusement machine licence in a case where this section applies, the equivalent in another currency of an amount in sterling shall be taken to be its equivalent on the day on which the application for the licence is received by the Commissioners, or the due date in the case of a default licence.

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(4) In subsection (3) above—

“default licence” means a licence granted under paragraph 3(1) of Schedule 4A to this Act;

“due date” has the meaning given by paragraph 2(4) of that Schedule.

Textual Amendments

F37 S. 26A renumbered (with effect as mentioned in s. 8(2) of the amending Act) as s. 26N by [Finance Act 2007 \(c. 11\)](#), s. 8, [Sch. 1 para. 1](#); S.I. 2007/2172, [art. 2](#)

Status:

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