



Finance Act 2003

2003 CHAPTER 14

PART 1

EXCISE DUTIES

Betting and gaming duties

7 General betting duty: betting exchanges

- (1) Part 1 of the Betting and Gaming Duties Act 1981 (c. 63) (betting duties) is amended as follows.
- (2) After section 5AA (inserted by section 6 above) insert—

“5AB Betting exchanges

- (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.
- (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

Status: Point in time view as at 08/02/2023.

Changes to legislation: Finance Act 2003, Section 7 is up to date with all changes known to be in force on or before 27 August 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

by another person shall be treated as providing them himself (and the other person shall not).”.

- (3) In section 5B (liability to pay)—
- (a) for subsection (1) substitute—
- “(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.”;
- (b) in subsection (4), after “section 4(1) to (3)” insert “ or 5AB ”.
- (4) In section 5C (bet-brokers)—
- (a) in paragraph (a) of subsection (1) (application of section) after “in the course of a business” insert “, other than a betting-exchange business,”;
- (b) at the end of that subsection insert— “ In paragraph (a) “betting-exchange business” means a business such as is mentioned in section 5AB(1). ”;
- (c) omit subsections (2) (bet treated as made between bettor and bet-broker) and (3) (subsection (2) not to apply to off-course bets where bet-taker is a bookmaker);
- (d) in subsection (4) omit the words “In the case of a bet which is excluded from subsection (2) by virtue of subsection (3).”.
- (5) The amendments made by this section apply in relation to any accounting period beginning on or after 1st June 2003.
- (6) Those amendments do not apply in relation to a bet (a “straddling bet”) that is—
- (a) made, using facilities provided by a person (“the broker”), in an accounting period of the broker beginning before 1st June 2003, but
- (b) not determined until an accounting period of the broker beginning on or after that date.
- (7) Any winnings paid in respect of a straddling bet to which section 5AB of the Betting and Gaming Duties Act 1981 (c. 63) would apply but for subsection (6) above shall be treated for the purposes of that Act as paid in the broker’s accounting period in which the bet was made (“the earlier accounting period”).
- (8) Subsection (7) shall not have effect to reduce the general betting duty payable by the broker for the earlier accounting period; but the amount of the reduction that would (but for this subsection) have been made for that period shall be set against any liability of the broker to general betting duty for accounting periods in the following three years, taking earlier periods before later ones until the amount is exhausted.

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