

*These notes refer to the Gambling Act 2005 (c.19)  
which received Royal Assent on 7 April 2005*

# **GAMBLING ACT 2005**

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## **EXPLANATORY NOTES**

### **TERRITORIAL EXTENT**

#### *Territorial limits – vessels and aircraft*

#### *Schedule 10: Family Entertainment Centre gaming machine permits*

#### *Sections 248 & 249: No and limited prizes*

613. Making a gaming machine available for use will be an offence under Part 10, unless the required authorisation, licence or permit is held for the machine. However, in a number of circumstances no offence will be committed where someone makes a gaming machine available for use. These are:
- Where a person using a machine has no opportunity to win a prize, whether or not he pays for use of the machine (section 248). If a prize (as defined in the Act) is available, a machine is a gaming machine, even if there is no payment required to use it;
  - Where a person, whether they pay for the machine or not, has the opportunity to win only a limited prize as follows:
    - Solely another opportunity to play the machine (sections 248 and 239); or
    - A prize whose value does not exceed any payment made for use of the machine (section 249).
614. The sections define payment for use broadly, and this includes payments which entitle someone to use a machine e.g. entrance charges to premises where machines are located. Section 343 contains powers for the Secretary of State to make rules about how to determine the value of a prize.
615. Power is also provided for the Secretary of State to make regulations which exempt certain gaming machines from the licensing requirements for manufacture, supply, etc. (section 248(2)). This will be where a machine is not designed or expected to be used to provide an opportunity to win a prize. An example of the type of machine which will be included in such regulations is a pin-ball machine, where a game of chance is offered by the machine, but with no prize, or no more than the possibility of another free go on the machine. In these circumstances there is no regulatory requirement for the machine to be manufactured or supplied under licence. This is a change to the regime under the Gaming Act 1968, where machines continued to require a certificate under section 27 of that Act, even if their subsequent use was not regulated as use of a gaming machine. Machines which offer a limited prize within the meaning of section 249 will require a gaming machine technical operating licence.