

# FINANCE ACT 2009

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## EXPLANATORY NOTES

### INTRODUCTION

#### *Section 22: Provisions Affecting Amount of Amusement Machine Licence Duty*

#### Summary

1. [Section 22](#) provides for changes to the descriptions of excepted machines, small-prize machines and Category C gaming machines for the purposes of amusement machine licence duty (AMLD) in the Betting and Gaming Duties Act 1981 (BGDA). The amendments made by this section will have effect from 1 June 2009.

#### Details of the Section

2. Subsection (4) amends paragraph (c) of section 21(5) of BGDA to increase the prize level for certain machines that are exempt from AMLD. The prize level will rise from £5 to £15, with a maximum cash amount of £8.
3. Subsection (5) introduces a new class of excepted machine to section 21(5). Gaming machines with a maximum stake of £1 and a maximum prize value of £50 will be exempt from AMLD so long as the prize is not money, or something that can be exchanged for money or anything else.
4. Subsection (6) inserts new sections 21(6) and (7) to determine how non-money prizes will be given a value for the purpose of determining their duty liability.
5. Subsection (7) provides for the prize level of a “small-prize machine” in section 22(2) to be increased from £8 to £10.
6. Subsection (9) provides for the stake and prize levels of a Category C gaming machine in section 23(3) of BGDA to be increased to £1 and £70 respectively.
7. Subsection (10) omits section 23(5) which provided valuation provisions in respect of other AMLD provisions. The provisions of that section are replaced by subsection (6) of this section.
8. Subsection (11) contains consequential repeals

#### Background Note

9. Amusement machine licence duty (AMLD) is a duty of excise that is charged on a licence that authorises the provision of gaming machines for play in the United Kingdom. Other than specific classes of “excepted machines”, all gaming machines fall within the scope of AMLD. The amount of duty that is payable is determined by the numbers and categories of machines. Machine categories are defined by reference to their maximum prize values and cost to play.
10. This section follows from the announcement by the Department for Culture, Media and Sport (DCMS) that permitted prize levels for Category C and Category D machines would be increased by Order in the summer. The definition of Category C gaming

*These notes refer to the Finance Act 2009 (c.10)  
which received Royal Assent on 21 July 2009*

machines and “excepted machines” for the purposes of AMLD in the BGDA is in line with the definitions of Category C and D gaming machines used by DCMS. This section amends the definition of a Category C gaming machine and an “excepted machine” for AMLD purposes.

11. This section is connected to section 21, which makes changes to the amounts of AMLD.