



Finance Act 2014

2014 CHAPTER 26

PART 3

GENERAL BETTING DUTY, POOL BETTING DUTY AND REMOTE GAMING DUTY

CHAPTER 1

GENERAL BETTING DUTY

General and spread bets

126 General bets

- (1) A bet is a general bet for the purposes of this Part if—
 - (a) it is not an on-course bet,
 - (b) it is not a spread bet,
 - (c) it is not made by way of pool betting, and
 - (d) one or more of conditions A to C is met in relation to it.
- (2) Condition A is that the person who makes the bet (whether as principal or agent) does so while present at a place in the United Kingdom where betting facilities are provided in the course of a business and the bet is made using those facilities.
- (3) Condition B is that—
 - (a) the person who makes the bet as principal is a UK person, and
 - (b) the bet is not an excluded bet.
- (4) Condition C is that—
 - (a) the person who makes the bet as principal is a body corporate not legally constituted in the United Kingdom,

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- (b) the bookmaker with whom the bet is made knows or has reasonable cause to believe that at least one potential beneficiary of any winnings from the bet is a UK person, and
- (c) the bet is not an excluded bet.

127 General betting duty charge on general bets

- (1) General betting duty is charged on a general bet made with a bookmaker.
- (2) It is charged at the rate of 15% of the bookmaker's profits on general bets for an accounting period.
- (3) The bookmaker's profits on general bets for an accounting period are the aggregate of—
 - (a) the amount of the bookmaker's ordinary profits for the period in respect of general bets (calculated in accordance with section 131), and
 - (b) the amount of the bookmaker's retained winnings profits for the period in respect of general bets (calculated in accordance with section 132).
- (4) Where the calculation for an accounting period under subsection (3) produces a negative amount—
 - (a) the bookmaker's profits on general bets for the accounting period are treated as nil, and
 - (b) the amount produced by the calculation may be carried forward in reduction of the bookmaker's profits on general bets for one or more later accounting periods.

128 Spread bets

- (1) A bet is a spread bet for the purposes of this Part if it constitutes a contract the making or accepting of which is a regulated activity within the meaning of section 22 of the Financial Services and Markets Act 2000.
- (2) In this Part—
 - “financial spread bet” means a spread bet the subject of which is a financial matter, and
 - “non-financial spread bet” means any other spread bet.
- (3) The Commissioners may by regulations provide that a specified matter—
 - (a) is to be treated as a financial matter for the purposes of subsection (2), or
 - (b) is not to be treated as a financial matter for those purposes.

129 General betting duty charge on financial spread bets

- (1) General betting duty is charged on a financial spread bet made with a bookmaker who is in the United Kingdom.
- (2) It is charged at the rate of 3% of the bookmaker's profits on financial spread bets for an accounting period.
- (3) The bookmaker's profits on financial spread bets for an accounting period are the aggregate of—

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- (a) the amount of the bookmaker's ordinary profits for the period in respect of financial spread bets (calculated in accordance with section 131), and
 - (b) the amount of the bookmaker's retained winnings profits for the period in respect of financial spread bets (calculated in accordance with section 132).
- (4) Where the calculation for an accounting period under subsection (3) produces a negative amount—
- (a) the bookmaker's profits on financial spread bets for the accounting period are treated as nil, and
 - (b) the amount produced by the calculation may be carried forward in reduction of the bookmaker's profits on financial spread bets for one or more later accounting periods.

130 General betting duty charge on non-financial spread bets

- (1) General betting duty is charged on a non-financial spread bet made with a bookmaker who is in the United Kingdom.
- (2) It is charged at the rate of 10% of the bookmaker's profits on non-financial spread bets for an accounting period.
- (3) The bookmaker's profits on non-financial spread bets for an accounting period are the aggregate of—
- (a) the amount of the bookmaker's ordinary profits for the period in respect of non-financial spread bets (calculated in accordance with section 131), and
 - (b) the amount of the bookmaker's retained winnings profits for the period in respect of non-financial spread bets (calculated in accordance with section 132).
- (4) Where the calculation for an accounting period under subsection (3) produces a negative amount—
- (a) the bookmaker's profits on non-financial spread bets for the accounting period are treated as nil, and
 - (b) the amount produced by the calculation may be carried forward in reduction of the bookmaker's profits on non-financial spread bets for one or more later accounting periods.

131 Ordinary profits

Take the following steps to calculate the amount of a bookmaker's ordinary profits in respect of a class of bets for an accounting period.

Step 1 Calculate the aggregate of the stake money falling due to the bookmaker in the accounting period in respect of bets of that class made with the bookmaker.

Step 2 Calculate the aggregate of the amounts paid by the bookmaker in that period by way of winnings to persons who made bets of that class with the bookmaker (irrespective of when the bets were made or determined).

Step 3 Subtract the amount calculated under Step 2 from the amount calculated under Step 1.

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132 Retained winnings profits

- (1) The amount of a bookmaker's retained winnings profits in respect of a class of bets for an accounting period is the aggregate of amounts which cease to be qualifying amounts in the accounting period.
- (2) An amount is a qualifying amount for the purposes of this section if, as a result of a person (“P”) being notified as mentioned in section 140(2)(b), it has been taken into account in calculating the bookmaker's ordinary profits for bets of that class in any accounting period.
- (3) An amount ceases to be a qualifying amount for the purposes of this section if, otherwise than by virtue of being withdrawn by P as mentioned in section 140(2)(b), P ceases to be entitled to withdraw it.
- (4) The Commissioners may by notice published by them direct that subsection (3) is not to apply in a specified case or class of cases.

133 Bet-brokers

- (1) This section applies where—
 - (a) one person (the “bettor”) makes a bet with another person (the “bet-taker”) using facilities provided in the course of a business, other than a betting exchange business, by a third person (the “bet-broker”), or
 - (b) one person (the “bet-broker”) in the course of a business makes a bet with another person (the “bet-taker”) as the agent of a third person (the “bettor”) (whether the bettor is a disclosed principal or an undisclosed principal).
- (2) For the purposes of sections 126 to 132—
 - (a) the bet is to be treated as if it were made separately by the bettor with the bet-broker and by the bet-broker with the bet-taker,
 - (b) the bet-broker is to be treated as a bookmaker in respect of the bet,
 - (c) the aggregate of amounts due to be paid by the bettor in respect of the bet is to be treated as being due separately to the bet-broker and to the bet-taker (and any amount due to be paid by the bet-broker to the bet-taker is to be disregarded), and
 - (d) a sum paid by the bet-taker by way of winnings in respect of the bet is to be treated as having been paid separately by the bet-taker and by the bet-broker at that time and for that purpose (and any sum paid by the bet-broker is to be disregarded).
- (3) Where there is any doubt as to which of two persons is the bettor and which the bet-taker for the purposes of subsection (1)(a), whichever of the two was the first to use the facilities of the bet-broker to offer the bet is to be treated as the bet-taker.
- (4) In this section “betting exchange business” means a business such as is mentioned in section 141(1).

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