



Finance Act 2014

2014 CHAPTER 26

PART 3

GENERAL BETTING DUTY, POOL BETTING DUTY AND REMOTE GAMING DUTY

CHAPTER 2

POOL BETTING DUTY

143 Chapter 2 pool bets

- (1) A bet is a Chapter 2 pool bet for the purposes of this Part if—
 - (a) it is not made wholly in relation to horse racing or dog racing,
 - (b) it is not made for community benefit,
 - (c) it does not constitute the taking of a ticket or chance in a lottery,
 - (d) it is made by way of pool betting, and
 - (e) 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,
 - (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

Status: Point in time view as at 17/07/2014.

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- (c) the bet is not an excluded bet.
- (5) A Chapter 2 pool bet is a “pooled stake Chapter 2 pool bet” for the purposes of this Part if all or any part of the stake money on the bet is assigned by or on behalf of the bookmaker with whom the bet is made to a fund (referred to in this Part as a “Chapter 2 stake fund”) from which winnings are to be paid in respect of pool betting.
- (6) A Chapter 2 pool bet is an “ordinary Chapter 2 pool bet” for the purposes of this Part if it is not a pooled stake Chapter 2 pool bet.

144 Pool betting duty charge on Chapter 2 pool bets

- (1) A duty of excise, to be known as pool betting duty, is charged on a Chapter 2 pool bet made with a bookmaker.
- (2) It is charged at the rate of 15% of the bookmaker's profits on Chapter 2 pool bets for an accounting period.
- (3) The bookmaker's profits on Chapter 2 pool bets for an accounting period are the aggregate of—
 - (a) the amount of the bookmaker's profits for the period in respect of pooled stake Chapter 2 pool bets (calculated in accordance with section 145),
 - (b) the amount of the bookmaker's profits for the period in respect of ordinary Chapter 2 pool bets (calculated in accordance with section 146), and
 - (c) the amount of the bookmaker's profits for the period in respect of retained winnings on Chapter 2 pool bets (calculated in accordance with section 147).
- (4) Where the calculation for an accounting period under subsection (3) produces a negative amount—
 - (a) the bookmaker's profits on Chapter 2 pool 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 Chapter 2 pool bets for one or more later accounting periods.

145 Profits on pooled stake Chapter 2 pool bets

- (1) Take the following steps to calculate the amount of a bookmaker's profits for an accounting period in respect of pooled stake Chapter 2 pool bets.
 - Step 1* Take the aggregate of the relevant stake money falling due to the bookmaker in the accounting period and deduct the aggregate of any of that stake money that is assigned by or on behalf of the bookmaker to Chapter 2 stake funds during the period.
 - Step 2* If in the accounting period any amount contained in a Chapter 2 stake fund to which relevant stake money has been assigned by or on behalf of the bookmaker is used otherwise than to provide winnings to persons who made bets by way of pool betting, multiply each amount so used in the accounting period by the relevant proportion that applies in relation to it.
 - Step 3* Add the aggregate of the amounts calculated under Step 2 to the amount calculated under Step 1.
 - Step 4* If in the accounting period any top-up payment is assigned to a Chapter 2 stake fund by the bookmaker, multiply the amount of each top-up payment so

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assigned in the accounting period by the appropriate proportion that applies in relation to it.

Step 5 Subtract the aggregate of the amounts calculated under Step 4 from the amount calculated under Step 3.

- (2) For the purposes of Step 2 the relevant proportion, in relation to any amount which is used otherwise than to provide winnings, is—
 - (a) if the amount relates to bets on a specific event, the proportion of that amount that consists of relevant stake money that fell due to the bookmaker in respect of the bets,
 - (b) if the amount does not relate to bets on a specific event but relates to amounts assigned to the fund during a specific period, the proportion of that amount that consists of relevant stake money assigned to the fund by or on behalf of the bookmaker during that period, and
 - (c) in any other case, the proportion of the total amount contained in the fund immediately before the amount is so used which consists of relevant stake money assigned to the fund by or on behalf of the bookmaker.
- (3) For the purposes of Step 4—
 - (a) a top-up payment is assigned to a Chapter 2 stake fund if the bookmaker assigns an amount (other than stake money on a bet) to the fund to satisfy a guarantee given by the bookmaker that a specified minimum amount of winnings will be available in respect of bets made with the bookmaker, and
 - (b) the appropriate proportion, in relation to such a payment, is the proportion determined in accordance with a notice published by the Commissioners.
- (4) A notice under subsection (3)(b) may provide for top-up payments to be ignored for the purposes of Step 4 in a specified case or class of cases.
- (5) In this section “relevant stake money” means stake money in respect of a pooled stake Chapter 2 pool bet.

146 Profits on ordinary Chapter 2 pool bets

To calculate the amount of a bookmaker's profits for an accounting period in respect of ordinary Chapter 2 pool bets—

- (a) take the aggregate of the stake money falling due to the bookmaker in the accounting period in respect of such bets, and
- (b) subtract the aggregate of the expenditure by or on behalf of the bookmaker for the period on winnings in respect of such bets.

147 Profits on retained winnings on Chapter 2 pool bets

- (1) The amount of a bookmaker's profits for an accounting period in respect of retained winnings on Chapter 2 pool bets is the aggregate of the amounts which cease to be qualifying amounts during 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 149(2)(b), it has been taken into account in calculating the bookmaker's profits for any accounting period under section 145 or 146.

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- (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 149(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.

148 Chapter 2: stake money

- (1) For the purposes of this Chapter the stake money on a bet is the aggregate of the amounts which fall due in respect of the bet.
- (2) If the stake money falls due to a person other than the bookmaker with whom the bet is made, it is to be treated as falling due to the bookmaker.
- (3) Any payment that entitles a person to make the bet is, if the person makes the bet, to be treated as an amount falling due in respect of the bet.
- (4) All payments made—
 - (a) for or on account of or in connection with the bet,
 - (b) in addition to amounts falling due in respect of the bet, and
 - (c) by the person making the bet,
 are to be treated as amounts due in respect of the bet except so far as the contrary is proved by the bookmaker whose profits on the bet are being calculated.
- (5) Subsections (6) and (7) apply for the purposes of subsection (1) but have effect subject to any regulations under subsection (8).
- (6) Where—
 - (a) a person makes a bet, and
 - (b) the bet relates to a single event, or to two or more events taking place on the same day,
 any sum due to the bookmaker in respect of the bet is treated as falling due on the day on which the event or events take place.
- (7) Where—
 - (a) a person makes a bet, and
 - (b) subsection (6) does not apply,
 any sum due to the bookmaker in respect of the bet is treated as falling due when the bet is made.
- (8) The Commissioners may by regulations make provision as to when any sum due to the bookmaker in respect of a bet is to be treated as falling due.
- (9) Provision made by regulations under subsection (8) may not provide for a sum due to the bookmaker in respect of a bet to be treated as falling due—
 - (a) earlier than when the bet is made, or
 - (b) later than when the bet is determined.

149 Chapter 2: winnings

- (1) Only winnings in the form of money are to be taken into account when determining for the purposes of this Chapter what are winnings on a bet.

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- (2) For those purposes, winnings on a bet include—
 - (a) the return of a stake on the bet, and
 - (b) any winnings on the bet held in an account for a person (“P”) if P is notified that the amount is being held in the account and may be withdrawn by P on demand.
- (3) Winnings on a bet for which no stake money fell due are to be ignored for the purposes of any calculation under this Chapter.
- (4) The Commissioners may by regulations make provision as to when, for the purposes of any calculation under this Chapter—
 - (a) winnings are to be treated as paid or provided, and
 - (b) expenditure on winnings is to be treated as incurred.

150 Payments treated as bets

- (1) Where payments are made for the chance of winning any money or money's worth on terms under which the persons making the payments have a power of selection that may (directly or indirectly) determine the winner, those payments are (subject to section 183) to be treated as bets for the purposes of this Chapter even if the power is not exercised.
- (2) Where any payment entitles a person to take part in a transaction that is, on the person's part only, not a bet made by way of pool betting by reason of the person not in fact making any stake as if the transaction were such a bet, the transaction is to be treated as such a bet for the purposes of this Chapter (and section 148(4) applies to any such payment).

151 Payment and recovery

- (1) Pool betting duty charged on a bookmaker's profits on Chapter 2 pool bets for an accounting period—
 - (a) becomes due at the end of the period,
 - (b) is to be paid by the bookmaker, and
 - (c) is to be paid when it becomes due.
- (2) Pool betting duty that is due to be paid may be recovered from the following persons as if they were jointly and severally liable to pay the duty—
 - (a) the bookmaker;
 - (b) a person responsible for the management of any business in the course of which any bets have been made that are Chapter 2 pool bets for the purposes of the calculation of the amount of the bookmaker's profits on Chapter 2 pool bets for any accounting period;
 - (c) a person responsible for the management of any totalisator used for the purposes of any such business;
 - (d) where a person within any of paragraphs (a) to (c) is a company, a director.

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152 Notification of reliance on community benefit exemption

- (1) Where a bookmaker relies for the purposes of pool betting duty on the fact that a bet is not a Chapter 2 pool bet by virtue of being made for community benefit, the bookmaker must inform the Commissioners of that fact.
- (2) The Commissioners may by notice published by them—
 - (a) specify the manner in which, and the time at which, the Commissioners are to be informed as mentioned in subsection (1), and
 - (b) direct that subsection (1) is not to apply in a specified case or class of cases.

153 Bets made for community benefit

- (1) For the purposes of this Part (but subject to any direction under subsection (3)), a bet is made “for community benefit” if—
 - (a) the promoter of the betting concerned is a community society or is bound to pay all benefits accruing from the betting to such a society, and
 - (b) the person making the bet knows, when making it, that the purpose of the betting is to benefit such a society.
- (2) In the case of a bet made by means of a totalisator, the reference in subsection (1) to the promoter of the betting concerned is a reference to the operator.
- (3) The Commissioners may direct that any bet specified by the direction, or of a description so specified, is not a bet made for community benefit.
- (4) The power conferred by subsection (3) may not be exercised unless the Commissioners consider that an unreasonably large part of the amounts paid in respect of the bets concerned will, or may, be applied otherwise than—
 - (a) in the payment of winnings, or
 - (b) for the benefit of a community society.
- (5) In this section “community society” means—
 - (a) a society established and conducted for charitable purposes only, or
 - (b) a society established and conducted wholly or mainly for the support of athletic sports or athletic games and not established or conducted for purposes of private or commercial gain.
- (6) In this section “society” includes any club, institution, organisation or association of persons, by whatever name called.

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