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## EXPLANATORY NOTE

*(This note is not part of the Regulations)*

These Regulations prescribe rules, under section 240 of the Gambling Act 2005 (the Act), controlling how gaming machines are made available for use. “Gaming machine” is defined in section 235 of the Act. Regulations under section 236 of the Act define categories of gaming machine, A to D, including sub-categories of Category B. Section 242(2) of the Act makes it an offence to make a gaming machine available for use which does not comply with these Regulations.

Regulation 1 specifies a principal coming into force date of 1st September 2007 for these Regulations, subject to a number of express exceptions set out in paragraphs (3) and (4).

- Regulations 3(1)(a) and (5)(b) concerning display of information about a machine’s category do not come into force until 1st November 2007 (paragraph (3)).
- Regulations 10 and 11, concerning autoplay and payment limits for certain types of Category A and B2 machines, do not come into force until 1st March 2008 (paragraph (4) and see also the provision in regulation 9(10) making transitional provision for the application of regulation 9 to such Category A and B2 machines).

Regulations 8, 10(7), 13(6) and 14(3) provide particular transitional arrangements, setting a later coming into force date for specific rules contained in those regulations, for certain categories of gaming machine manufactured:

- before 1st September 2007; or
- on or after 1st September 2007 and before 1st March 2008.

Regulation 2 defines essential terms in the Regulations, including money and non-money prize.

Regulation 3 sets out information which gaming machines are required to display, and the manner in which it must be displayed, while they are being made available for use.

Regulation 4 prevents credit cards being used to pay for gaming machine use by any means, and limits debit card payments to indirect forms of payment only.

Regulation 5 prevents amounts of less than 1p being included in any charge for use of a gaming machine.

Regulation 6 regulates the types of prizes that Category A, B, C and D machines can deliver. Category D machines, which are the only category of machine permitted to provide non-money prizes, may not provide a non-money prize in the form of goods or services which it is illegal to sell or supply to a person under 18.

Regulations 7, 9 and 11 contain rules about the amounts that can be paid in a single action in relation to use of a gaming machine, depending on—

- the type of payment made,
- the category of machine, and
- when the machine was manufactured.

These rules are separate from the maximum individual charges for use for using a gaming machine once (known commonly as “stakes”). Those charges are prescribed by regulations made under section 236 of the Act.

- Regulation 7 specifies limits for depositing money on a gaming machine. In particular, different limits apply depending on—

*Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.*

- the category or sub-category of machine;
  - when the machine is manufactured;
  - the nature of the payment i.e. money or money's worth. Examples of payments of money's worth are payments made by smartcards or tickets; and
  - in the case of certain payments of money's worth, whether or not the means of payment is purchased in accordance with a "supervision condition" or a "collection condition" (defined in regulation 7(8) and (9)). Payments of money's worth include payments by smartcard and payments "loaded from the counter" (regulation 7(10)).
- Regulation 8 makes transitional arrangements for the limits specified in regulation 7(3), (4) and (6) to apply from 1st September 2008 for gaming machines manufactured before specified dates.
  - Regulation 9 specifies limits for making committed payments, which vary according to the category of machine.
  - Regulation 11 sets out special rules for certain Category A and B2 machines, exempting such machines from the payment limit in regulation 9, and imposing alternative requirements.

Regulation 10 prevents autoplay facilities being made available on certain types of gaming machine which take charges for use direct from deposited sums.

Regulation 12(1) specifies the circumstances in which a gaming machine may retain a residue from deposited sums, and limits such residues to no more than 99p cash. Where a machine does retain a permitted residue, it must display warning information in accordance with paragraph (2). Paragraph (3) specifies that money or money's worth held as a committed amount on a gaming machine can only be used for paying a charge for use on the machine, and cannot, for example, be removed by the operator of the machine for profit.

Regulations 13 and 14 set out rules about the collection and delivery of prizes, which vary according to—

- whether the prize is a money or non-money prize,
- whether the charge for use is taken from deposited or committed monies, and
- the category or sub-category of machine, and its date of manufacture.

Rules controlling the maximum value of prizes which can be won as a result of using a gaming machine once are prescribed by regulations made under section 236 of the Act.

Transitional arrangements apply to regulations 13 and 14, at regulations 13(6) and 14(3).

These regulations were notified in draft to the European Commission in accordance with Directive [98/34/EC](#), as amended by Directive [98/48/EC](#) (the Technical Standards Directive).

A Regulatory Impact Assessment is available from the Gambling and National Lottery Licensing Division, Department for Culture, Media and Sport, 2-4 Cockspur Street, London SW1Y 5DH, telephone 020 7211 6368.