

EXPLANATORY MEMORANDUM TO
THE GAMING DUTY (AMENDMENT) REGULATIONS 2009

2009 No. 2046

1. This explanatory memorandum has been prepared by Her Majesty's Revenue and Customs and is laid before the House of Commons by Command of Her Majesty.

2. Purpose of the instrument

This instrument reflects changes to the bands of gross gaming yield that that apply for gaming duty made in the Finance Act 2009 (c.10). It brings 3 monthly payments on account into line with the new bands by amending regulation 5 of the Gaming Duty Regulations 1997 (S.I. 1997/2196) ("the principal Regulations").

3. Matters of special interest to the Select Committee on Statutory Instruments

None

4. Legislative Context

4.1 Section 11 of the Finance Act 1997 (c.16) prescribes how gaming duty must be calculated for each six-monthly accounting period. It is calculated by applying the rates specified in the Table in section 11(2) to the gross gaming yield. Increasing rates apply to each band of gross gaming yield.

4.2 Regulation 5 of the principal Regulations provides for the quarterly payment of gaming duty by making provision for payments on account half way through every accounting period. These payments are calculated by applying the rates contained in the Table in that regulation to the gross gaming yield for that period. Again, increasing rates apply to each band of gross gaming yield.

5. Territorial Extent and Application

This instrument applies to all of the United Kingdom.

6. European Convention on Human Rights

As the instrument is subject to negative resolution procedure and does not amend primary legislation, no statement is required.

7. Policy background

7.1 The bands of gross gaming yield were increased in line with inflation by section 19 of the Finance Act 2009, which substituted a revised Table in section 11(2) of the Finance Act 1997.

7.2 Each time the bands for the six monthly accounting periods are increased it has been the practice to increase the bands for the three monthly payments on account.

This ensures that those payments continue to be roughly half of the amount of gaming duty due in an accounting period. The bands were last amended by the Gaming Duty (Amendment) Regulations 2008 (S.I. 2008/1949).

8. Consultation outcome

These regulations are being made as a consequence of a routine, inflation-linked revalorisation that was made by the Finance Act 2009. These revalorisations are part of a long-established practice and are an accepted, and expected, feature of gaming duty. Accordingly, although there was informal consultation in relation to the changes introduced by the Finance Act, there was no specific consultation in respect of these Regulations.

9. Guidance

Guidance on gaming duty and how to pay it is available in Notice 453 Gaming Duty on the HMRC website www.hmrc.gov.uk. The revised version will be available in September 2009.

10. Impact

10.1 The impact on business, charities or voluntary bodies is negligible.

10.2 The impact on the public sector is negligible

10.3 This instrument gives effect to a routine revalorisation. An Impact Assessment has not been prepared for this instrument.

11. Regulating small business

11.1 This legislation applies to small business, although so far as we are aware there are no small businesses trading in this sector at present. Any small business which began to trade in the casino sector would benefit from the same simple rules in relation to gaming duty as larger businesses.

12. Monitoring & review

12.1 HMRC will continue to monitor all aspects of the gaming duty legislation.

13. Contact

Valerie Patterson at the Her Majesty's Revenue and Customs Tel: 0161 827 0788 or e-mail: valerie.patterson@hmrc.gsi.gov.uk can answer any queries regarding the instrument.