STATUTORY INSTRUMENTS

2007 No. 2163

VALUE ADDED TAX

The Value Added Tax (Betting, Gaming and Lotteries) Order 2007

Approved by the House of Commons

Made - - - -	*25th July 2007*
Laid before the House of Commons	*25th July 2007*
Coming into force - -	*1st September 2007*

The Treasury make the following Order in exercise of the powers conferred by sections 31(2) and 96(9) of the Value Added Tax Act 1994(**a**):

1. This Order may be cited as the Value Added Tax (Betting, Gaming and Lotteries) Order 2007 and comes into force on 1st September 2007.

2. Group 4 of Schedule 9 to the Value Added Tax Act 1994(**b**) (exemptions: betting, gaming and lotteries) is amended as follows.

3. In Note (1) (matters not included within item 1), for paragraph (b) (together with the "or" following it) substitute–

"(b) the granting of a right to play a game of chance for a prize unless the playing of the game is excepted from this paragraph by Note (5); or".

4. After Note 4 insert–

"(5) The playing of a game of chance for a prize is excepted from Note (1)(b) if the playing of the game constitutes–

(a) remote gaming for the purposes of remote gaming duty(**c**),

(b) prize gaming under a permit or at any qualifying centre or fair,

(c) non-commercial gaming,

(d) equal chance gaming at a qualifying club or institute, or

(e) gaming for small prizes in a bingo hall.

(6) In Note (5) "prize gaming under a permit or at any qualifying centre or fair"–

(a) in Great Britain, means the playing of a game where the provision of facilities for its playing falls within section 289, 290 or 292 of the 2005 Act (prize gaming under a permit, at gaming and entertainment centres and fairs), and

---

(**a**) 1994 c. 23.
(**b**) Group 4 of Schedule 9 was amended by S.I. 2006/2685.
(**c**) See sections 26A – 26M of the Betting and Gaming Duties Act 1981 (c. 63), inserted by Part 1 of Schedule 1 to the Finance Act 2007 (c. 11).

(b) in Northern Ireland, means the playing of a game to which Article 154 of the 1985 Order applies and which takes place in accordance with the requirements of that Article (amusements with prizes at certain other places).

(7) In that Note "non-commercial gaming"–

(a) in Great Britain, means the playing of a game in respect of which the conditions in section 299 or 300 of the 2005 Act are complied with (non-commercial prize and equal chance gaming), and

(b) in Northern Ireland, means the playing of a game to which Article 126 or 153 of the 1985 Order applies and which takes place in accordance with the requirements of that Article (gaming otherwise than for private gain).

(8) In that Note "equal chance gaming at a qualifying club or institute"–

(a) in Great Britain, means the playing of a game where the provision of facilities for its playing falls within section 269 of the 2005 Act (equal chance gaming by members' or commercial clubs and miners' welfare institutes), and

(b) in Northern Ireland, means the playing of a game to which Article 128 of the 1985 Order applies (special charges for play at certain clubs).

(9) In that Note "gaming for small prizes in a bingo hall"–

(a) in Great Britain, means the playing of a game where the provision of facilities for its playing falls within section 291 of the 2005 Act (bingo halls) or the playing at any licensed premises of bingo in respect of which the conditions in Note (10) are complied with, and

(b) in Northern Ireland, means the playing of a game to which Article 77(1) of the 1985 Order applies (gaming for prizes on bingo club premises).

For the purposes of paragraph (a) "licensed premises" means premises in respect of which a bingo premises licence (within the meaning of Part 8 of the 2005 Act) has effect.

(10) The conditions in this Note are that–

(a) the amount charged for any one chance to win one or more prizes in a particular game does not exceed 50 pence,

(b) the aggregate amount charged for participating in a particular game does not exceed £500,

(c) no money prize for which a game is played exceeds £50, and

(d) the aggregate amount or value of the prizes for which a game is played does not exceed £500.

(11) In Notes (6) to (9)–

"the 1985 Order" means the Betting, Gaming, Lotteries and Amusements (Northern Ireland) Order 1985(**a**), and

"the 2005 Act" means the Gambling Act 2005(**b**)."

Alan Campbell
Frank Roy

25th July 2007 — Two of the Lords Commissioners of Her Majesty's Treasury

---

(**a**) S.I. 1985/1204 (N.I.11); relevant amending instruments are S.R. (NI) 1987 No 186 (Article 128), S.R. (NI) 1996 No 572 (Article 154), S.R. (NI) 2001 No 414 (Articles 77(1), 126, 128), S.R. (NI) 2003 No 15 (Article 77(1)).

(**b**) 2005 c. 19. Orders made under section 358 of the Act bring the relevant provisions into force on or before 1st September 2007.

EXPLANATORY NOTE

(This note is not part of the Order)

This Order, which comes into force on 1st September 2007, amends Group 4 of Schedule 9 to the Value Added Tax Act 1994 to reflect the coming into force in Great Britain of the Gambling Act 2005.

Group 4 of Schedule 9 exempts from VAT certain types of betting, gaming and lotteries. Note (1)(b) to Group 4 contains an exception from that exemption. Betting or gaming falling within Note 1(b) is therefore subject to VAT.

Article 3 substitutes a new Note (1)(b). The previous Note (1)(b) referred to a provision of the Gaming Act 1968, which is repealed by the Gambling Act 2005. The new Note (1)(b) provides that the grant of the right to play a game of chance for a prize will not fall within the item 1 exemption unless the playing of the game falls into one of the categories specified in Note (5).

Article 4 inserts additional Notes (5) to (11). Note (5) specifies the five categories of gaming which are excepted from Note (1)(b). Fees charged for the grant of a right to play those games therefore fall within the item 1 exemption from VAT.

The first category, remote gaming, is defined by reference to remote gaming duty. Sections 26A – 26M (remote gaming duty) are inserted into the Betting and Gaming Duties Act 1981 (c. 63) by Part 1 of Schedule 1 to the Finance Act 2007 (c. 11). It is anticipated that the provisions of Schedule 1 will be brought into force with effect from 1st September 2007.

The other four categories are defined by Notes (6) - (10).

Note (11) contains relevant legislative definitions.

A full regulatory impact assessment has not been produced for this instrument as no impact on the private or voluntary sectors is foreseen.

STATUTORY INSTRUMENTS

2007 No. 2163

VALUE ADDED TAX

The Value Added Tax (Betting, Gaming and Lotteries) Order 2007

£3.00

© Crown copyright 2007

Printed and published in the UK by The Stationery Office Limited
under the authority and superintendence of Carol Tullo, Controller of Her Majesty's
Stationery Office and Queen's Printer of Acts of Parliament.

E1505 10/2007 171505 19585