



Finance Act 1970

1970 CHAPTER 24

PART I

CUSTOMS AND EXCISE

1 Alteration of general betting duty and repeal of betting premises licence duty

- (1) The general betting duty in respect of any bet made on or after 27th April 1970 shall—
- (a) if it is an on-course bet, be of an amount equal to 5. per cent, of the amount staked, and
 - (b) if it is not an on-course bet, be of an amount equal to 6. per cent, of the amount staked.

- (2) Where it is shown to the satisfaction of the Commissioners that a bookmaker has laid off the whole or any part of an on-course bet made with him by making an on-course bet (in this subsection called a "hedging" bet), being a dutiable bet made in the course of the same meeting, and on the same contingency, as the first-mentioned bet, and that both the bookmaker making, and the person accepting, the hedging bet have complied with such conditions as the Commissioners think fit to impose for the protection of the revenue, the first-mentioned bet shall, up to the amount staked by the hedging bet, be exempt from general betting duty, and the Commissioners shall remit or repay duty accordingly.

In giving relief under this subsection, in no circumstances may any part of the amount staked by a hedging bet be brought into account more than once.

This subsection applies to bets made on or after 27th April 1970.

- (3) In this section an "on-course bet" means a bet made in the course of a meeting—
- (a) with a bookmaker present at the meeting, or
 - (b) by means of a totalisator situated on premises forming part of the track,
- where—
- (i) the person making the bet (that is to say the person originating the bet and not any agent or intermediary) is present at the meeting, or

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- (ii) the bet is made by a person carrying on a bookmaking business acting as a principal (and not acting as agent for, or on behalf of, some other person).
- (4) For the purposes of this section—
 - (a) "dutable bet" means a bet to which section 12(1) of the Finance Act 1966 (application of general betting duty) applies,
 - (b) "meeting" means any occasion on any one day on which events take place on any track,
 - (c) expressions defined by section 15(6) of the Finance Act 1966 shall have the same meanings in this section.
- (5) As from 27th April 1970 section 2(4) of the Finance Act 1969 (betting premises licence for off-course betting) shall cease to have effect.
- (6) On application made to the proper officer in respect of a betting premises licence for a period falling partly after 27th April 1970 the duty paid or payable on the licence shall, subject to subsection (7) below, be repaid or remitted to the following extent—
 - (a) five-twelfths of the duty on the licence, if the period of validity of the licence began before 1st January 1970,
 - (b) five-ninths of the duty on the licence, if the period of validity of the licence began in 1970, but before 1st April 1970,
 - (c) five-sixths of the duty on the licence, if the period of validity of the licence began after 31st March 1970,
 and any amount so repayable shall be paid to the person who is the holder of the licence on 27th April 1970.
- (7) If, under arrangements made by the Commissioners, the holder of a betting premises licence was allowed to pay the duty on the licence by twelve monthly instalments payable on the first day of each month, subsection (6) above shall not apply, but all duty first becoming payable under the arrangements after April 1970 shall be remitted.
- (8) Where subsection (6) or subsection (7) above applies, the amount of any penalty under paragraph 9(a), and the amount of any duty on a licence under paragraph 9(b), of Schedule 8 to the Finance Act 1969 shall be adjusted accordingly.

2 Gaming licence duty

- (1) There shall be charged a duty of excise on a licence (to be known as a gaming licence) authorising the use of premises specified in the licence for the purpose of gaming by way of any game to which this section for the time being applies.
- (2) A gaming licence shall be a licence for the period from 1st October in any year to 31st March in the following year, or from 1st April in any year to 30th September in that year (all dates inclusive).
- (3) The amount of the duty under this section on a gaming licence in respect of any premises shall be determined in accordance with the Table in, and the other provisions of, Schedule 1 to this Act.
- (4) Without prejudice to subsections (5) and (6) of this section, the games to which this section applies are baccarat, punto banco, big six, blackjack, boule, chemin de fer, chuck-a-luck, craps, crown and anchor, faro, faro bank, hazard, poker dice, pontoon, French roulette, American roulette, trente et quarante, vingt-et-un, and wheel of fortune.

- (5) The Treasury may by order made by statutory instrument add to the games mentioned in subsection (4) of this section any game not for the time being mentioned therein if it appears to the Treasury proper so to do for the protection of the revenue, having regard to the character of the game and the circumstances in which it is played; but a statutory instrument containing an order under this subsection shall be laid before the Commons House of Parliament after being made, and the order shall cease to have effect at the end of twenty-eight days after the day on which it was made (but without prejudice to anything previously done under the order or to the making of a new order) unless at some time before the end of those twenty-eight days the order is approved by resolution of that House ; and, in reckoning for the purposes of this subsection any period of twenty-eight days, no account shall be taken of any time during which Parliament is dissolved or prorogued or during which both Houses are adjourned for more than four days.
- (6) Any reference in this section or in any order under subsection (5) thereof to a particular game shall be taken to include a reference to any game (by whatever name called) which is essentially similar to that game; and in proceedings relating to the gaming licence duty under the excise Acts an averment in any process that a particular game is essentially similar to another particular game shall, until the contrary is proved, be sufficient evidence that it is so.
- (7) Gaming taking place on any premises at a time when no licence is in force as respects those premises under the Gaming Act 1968 shall not require the authority of a gaming licence under this section.
- (8) Subject to subsection (7) above, all gaming taking place after 30th September 1970 by way of any game to which this section for the time being applies shall require the authority of a gaming licence under this section, and as respects gaming after that date section 13 of the Finance Act 1966 (which is superseded by this section) shall cease to have effect.
- (9) Part II of Schedule 1 to this Act shall have effect for supplementing the provisions of this section (in that Schedule called " the principal section ").
- (10) In this section and in the said Schedule—
 " gaming " has the same meaning as in the Gaming Act 1968, and
 " premises " includes any place and any means of transport.

3 Gaming machines

- (1) No more than one gaming machine licence shall be in force at any time as respects the gaming machines on any premises, except that there may be one ordinary gaming machine licence as respects the gaming machines chargeable at the lower rate, and one ordinary gaming machine licence as respects the gaming machines chargeable at the higher rate.
- (2) In accordance with subsection (1) above, in ascertaining whether there has been a contravention of section 5(11) of the Finance Act 1969 (failure to take out appropriate licence) in respect of any premises, two (but not more than two) ordinary gaming machine licences may be taken into account if one relates only to machines chargeable at the lower rate, and the other to machines chargeable at the higher rate, and in other cases only one licence may be taken into account.

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- (3) The proper officer may, in such manner as the Commissioners may direct, and without any additional payment, amend a gaming machine licence by substituting different premises for those in respect of which it is for the time being in force, but—
- (a) this subsection shall not be taken as authorising any amendment affecting the number or descriptions of gaming machines authorised by the licence, and
 - (b) in the case of an ordinary licence, the proper officer must be satisfied that there is no other licence in force as respects the new premises, except where the transfer is of a licence relating only to machines chargeable at the lower rate, or the higher rate, and the licence already in force relates only to machines chargeable at the other rate.
- (4) Section 5(2) of the Finance Act 1969 shall be amended as follows.

For the words from ' a " penny machine "' to the end of the subsection substitute ' a " penny machine " is a gaming machine which, in order to be played once, requires the insertion of—

- (a) a single new penny, or
- (b) a single new halfpenny, or
- (c) a single penny,

and which cannot be played in any other way.'

4 Tobacco substitutes

- (1) Notwithstanding anything in Part V of the Customs and Excise Act 1952 (which relates to tobacco and, in particular, imposes prohibitions on the manufacture, use, sale and possession of substances resembling tobacco), the Commissioners may make regulations authorising the manufacture of tobacco substitutes and their use in the production of cigarettes, pipe tobacco, cigars and other products intended for smoking or, though not so intended, customarily made from tobacco (all of which products are in the following provisions of this section referred to as " products for smoking ").
- (2) Subject to the provisions of regulations under this section—
- (a) the duties of excise on tobacco shall be charged on tobacco substitutes manufactured in the United Kingdom as if the substitutes were unmanufactured tobacco;
 - (b) the duties of customs on tobacco shall be charged on the importation of tobacco substitutes as if the substitutes were tobacco; and
 - (c) for the purpose of any enactment relating to drawback on tobacco, tobacco substitutes shall be deemed to be tobacco.
- (3) Regulations under this section may provide that, subject to such exceptions as may be specified in the regulations, no person shall manufacture tobacco substitutes unless he holds a licence for the purpose expiring on such day in each year as may be so specified; and there shall be charged on any such licence a duty of excise of £10.
- (4) Without prejudice to the generality of subsection (1) above, regulations under this section may—
- (a) apply in relation to tobacco substitutes, subject to such modifications as may be specified in the regulations but otherwise as they apply in relation to tobacco, any provisions contained in Part V of the Customs and Excise Act 1952 ;

- (b) regulate the manufacture of tobacco substitutes and prohibit the importation of tobacco substitutes (whether or not forming part of products for smoking) containing any ingredient the use of which in the manufacture of tobacco substitutes is prohibited by the regulations ;
 - (c) contain provisions for the protection of the revenue,
including provisions corresponding to those which, by virtue of section 177 or section 179 of the said Act of 1952, may be contained in regulations under those sections relating to the manufacture and growing of tobacco;
 - (d) require the deposit of tobacco substitutes in a warehouse in such cases as may be specified in the regulations ;
 - (e) in order to secure a comparable treatment of tobacco and tobacco substitutes for the purposes of duties of customs and excise, provide in such cases as may be so specified for reductions in the amount of duty which would otherwise be payable on tobacco substitutes by virtue of subsection (2) above ; and
 - (f) contain provisions for the exemption, remission or repayment of duty in respect of tobacco substitutes in such cases as may be so specified.
- (5) The Commissioners may by regulations provide that—
 - (a) in order to secure that tobacco does not bear a double duty of customs or excise by virtue of any provision made by or under this section, the amount of duty which would otherwise be payable in respect of tobacco shall be reduced in accordance with, and in such cases as may be specified in, the regulations; and
 - (b) where any tobacco refuse or tobacco stalks is or are delivered to a manufacturer of tobacco substitutes, the amount of any drawback payable shall be reduced in accordance with, and in such cases as may be specified in, the regulations.
- (6) Any person contravening or failing to comply with any provision of regulations under this section shall be liable to a penalty of £200, and any article in respect of which, or found on premises in respect of which, the offence was committed shall be liable to forfeiture.
- (7) Subject to subsection (8) below, in this section " tobacco substitutes " means substances (including substances containing or manufactured from tobacco) of a kind which are, or in the opinion of the Commissioners may be, used in substitution wholly or partly for tobacco in the manufacture of products for smoking.
- (8) Notwithstanding anything in subsection (7) above, the following substances are not " tobacco substitutes" for the purposes of this section, namely—
 - (a) substances which by virtue of paragraphs (a) to (e) of section 176(1) of the Customs and Excise Act 1952 may be used in manufacturing tobacco ;
 - (b) any substance which, by virtue of the said section 176(1), is permitted by the Commissioners to be used in manufacturing tobacco and which is used in accordance with such conditions and restrictions applicable to that use as may have been imposed under that section; and
 - (c) substances which in the opinion of the Commissioners are intended solely for use in the manufacture of products commonly known as herbal smoking mixtures or herbal cigarettes.

5 Miscellaneous amendments of law relating to customs and excise

The provisions of Schedule 2 to this Act shall have effect, being provisions—

- (a) relating to duties of customs and excise and drawback on tobacco; and
- (b) modifying customs procedures in relation to standing deposits and the use of computers ;

and in that Schedule " the Act of 1952 " means the Customs and Excise Act 1952.

6 Angostura bitters

- (1) On the importation of the aromatic flavouring essence commonly known, and in this section referred to, as angostura bitters, the Commissioners may, subject to such conditions as they see fit to impose, direct the bitters to be treated for the purposes of section 1 of the Finance Act 1964 (duties of customs and excise on spirits) as not being spirits.

- (2) Angostura bitters shall be deemed not to be spirits for the purposes of—
 - (a) Part IV of the Customs and Excise Act 1952, other than section 172 of that Act (ascertainment of strength, etc. of spirits); and
 - (b) the Licensing (Scotland) Act 1959, the Licensing Act 1964 and any other enactment (whether passed before or after the commencement of this Act) in which " spirits " has the same meaning as in either of those Acts;

and accordingly angostura bitters shall be treated as a non-intoxicating drink for the purposes of the enactments specified in paragraph (b) above.

7 Decimal currency: customs and excise

- (1) This subsection has effect as respects the enactments specified in subsection (2) below (which mention amounts of money in the old currency the equivalent of which in the new currency consist of or include inconvenient fractions of a new penny).

The Treasury may by order substitute for any amount so mentioned the nearest lesser amount, expressed in the new currency, which appears to them suitable and convenient.

- (2) The said enactments are—
 - Schedule 5 to the Finance Act 1969 and section 181(1) of the Customs and Excise Act 1952 (tobacco; duty, drawback and allowance).
 - Section 4 of the Finance Act 1951 as amended by section 4 of the Finance Act 1963 (duties on matches).
 - So much of Schedule 3 to the Finance Act 1969 as relates to wine exceeding 42 degrees proof spirit.
 - Table 2 in Schedule 1 to the Finance Act 1964 (imported perfumed spirits).
 - Section 104 of the Customs and Excise Act 1952 (export of British compounded spirits).

- (3) An order made under this section shall not have effect from a date earlier than the appointed day.

- (4) If and so far as an order made under this section amends any of the rates of drawback in Table 3 in Schedule 5 to the Finance Act 1969 (tobacco), the rate of drawback as so amended shall apply (from the date when the amendment has effect) to all tobacco

on which duty has been paid at the appropriate rate in the said Schedule 5 either as originally enacted, or as amended by an order under this section.

- (5) In section 273(3) of the Customs and Excise Act 1952 (odd fractions of a penny) for the words " a penny " substitute " a new penny ".

This subsection shall come into force on the appointed day, and shall extend to the Isle of Man.

- (6) An order under this section—
- (a) may include such consequential, supplementary or transitional provisions as the Treasury think fit, and
 - (b) may be revoked or varied by a subsequent order.
- (7) An order under this section shall be made by statutory instrument which shall be subject to annulment in pursuance of a resolution of the Commons House of Parliament.
- (8) In this section " the appointed day ", " the new currency " and " the old currency " have the meanings given by section 16(1) of the Decimal Currency Act 1969.

8 Hover vehicles: relief from duty on oils

In Schedule 2 to the Finance Act 1966 (application of Customs and Excise Act 1952 to hover vehicles) for paragraph 4(2) substitute—

“(2) Section 204 of the said Act (relief from duty of oils used as fuel for ships in home waters) shall apply as if references to ships included references to hover vehicles; and in that section " pleasure yacht", " voyage ", " reland " and other expressions shall be construed accordingly.”

9 Amendments relating to vehicles excise duty etc.

- (1) In section 6 of the Vehicles (Excise) Act 1962 (in this section referred to as " the 1962 Act") in subsection (1)(g) (which exempts from vehicles excise duty invalid carriages not exceeding six hundredweight unladen) for the word " six " there shall be substituted the word " eight ".
- (2) In section 12(1) of the 1962 Act (vehicles for which trade licences may be issued) after paragraph (ii) there shall be inserted the words “or
- (iii) in the case of a motor trader who is a manufacturer of mechanically propelled vehicles, for all vehicles kept and used by him solely for purposes of conducting research and development in the course of his business as such a manufacturer”.
- (3) In section 12(10) of the 1962 Act, in the definition of " recovery vehicle", which was inserted by paragraph 2 of Part II of Schedule 12 to the Finance Act 1969, for the words from " on which " to " designed primarily " there shall be substituted the words " on which there is mounted, or which is drawing, or which is carrying as part of its equipment, apparatus designed for raising a disabled vehicle wholly or partly from the ground or for drawing a disabled vehicle when so raised, and which is not used ".
- (4) Subject to subsection (5) below, for the purpose of calculating any amount due on or after 15th February 1971 from or to any person under any provision of the 1962

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Act, section 12 of the Finance Act 1967 (additional liability for keeping unlicensed vehicle) or the Vehicle and Driving Licences Act 1969, any fraction of a new penny in that amount shall be disregarded ; and accordingly section 9(3) of the 1962 Act and so much of section 8(3) of the said Act of 1969 as relates to disregarding fractions of a penny shall on that day cease to have effect.

- (5) Subsection (4) above shall not apply for the purpose of calculating any amount due under any provision of section 2(2) or section 12.(5) of the 1962 Act relating to the duty on a vehicle licence or trade licence for a period of less than a year.
- (6) This section shall come into force on 1st September 1970.

10 Continuation of powers under section 9 of Finance Act 1961

The period after which orders of the Treasury made under section 9 of the Finance Act 1961 may not be made or continue in force (which, by section 1(1)(Z>) of the Finance Act 1969, was extended until the end of August 1970) shall extend until the end of August 1971 or such later date as Parliament may hereafter determine.