



# Finance Act 2006

## 2006 CHAPTER 25

### PART 2

#### VALUE ADDED TAX

##### *Gaming machines*

#### **16 Gaming machines**

- (1) Section 23 of VATA 1994 (gaming machines) shall be amended as follows.
- (2) In subsection (1)—
  - (a) for “plays a game of chance” substitute “ gambles ”, and
  - (b) omit “to play”.
- (3) In subsection (2) for “playing” substitute “ gambling ”.
- (4) In subsection (3)—
  - (a) for “playing” substitute “ gambling ”, and
  - (b) for “to play” substitute “ to use ”.
- (5) For subsection (4) substitute—
  - (4) In this section “gaming machine” means a machine which is designed or adapted for use by individuals to gamble (whether or not it can also be used for other purposes).
  - (5) But—
    - (a) a machine is not a gaming machine to the extent that it is designed or adapted for use to bet on future real events,
    - (b) a machine is not a gaming machine to the extent that—
      - (i) it is designed or adapted for the playing of bingo, and
      - (ii) bingo duty is charged under section 17 of the Betting and Gaming Duties Act 1981 (c. 63) on the playing of that bingo,

---

*Changes to legislation: There are currently no known outstanding effects  
for the Finance Act 2006, Section 16. (See end of Document for details)*

---

or would be charged but for paragraphs 1 to 5 of Schedule 3 to that Act, and

- (c) a machine is not a gaming machine to the extent that—
  - (i) it is designed or adapted for the playing of a real game of chance, and
  - (ii) the playing of the game is dutiable gaming for the purposes of section 10 of the Finance Act 1997 (c. 16), or would be dutiable gaming but for subsections (3) and (4) of that section.

(6) In this section—

- (a) a reference to gambling is a reference to—
  - (i) gaming within the meaning of section 6 of the Gambling Act 2005 (c. 19), and
  - (ii) betting within the meaning of section 9 of that Act,
- (b) a reference to a machine is a reference to any apparatus which uses or applies mechanical power, electrical power or both,
- (c) a reference to a machine being designed or adapted for a purpose includes a reference to a machine to which anything has been done as a result of which it can reasonably be expected to be used for that purpose,
- (d) a reference to a machine being adapted includes a reference to computer software being installed on it,
- (e) “real” has the meaning given by section 353(1) of that Act,
- (f) “game of chance” has such meaning as may be prescribed by the Treasury by order,
- (g) “bingo” means any version of that game, irrespective of by what name it is described.

(7) The Treasury may by order amend subsections (4) to (6).”

(6) This section shall have effect in relation to anything done on or after 6th December 2005.

(7) In the application of section 23(5)(c) of VATA 1994 as substituted by this section in relation to anything done before 1st November 2006, “game of chance” shall have the same meaning as in the Gaming Act 1968 (c. 65).

**Changes to legislation:**

There are currently no known outstanding effects for the Finance Act 2006, Section 16.