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STATUTORY INSTRUMENTS

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**2001 No. 3088**

**CUSTOMS AND EXCISE**

**The General Betting Duty Regulations 2001**

*Made* - - - - *11th September 2001*  
*Laid before the House of*  
*Commons* - - - - *13th September 2001*  
*Coming into force* - - *6th October 2001*

The Commissioners of Customs and Excise, in exercise of the powers conferred upon them by sections 5D and 12(2) of, and paragraph 2 of Schedule 1 to, the Betting and Gaming Duties Act 1981(1) and of all other powers enabling them in that behalf, hereby make the following regulations:

**Citation and commencement**

1. These Regulations may be cited as the General Betting Duty Regulations 2001 and come into force on 6th October 2001.

**Revocation and amendment**

2.—(1) The General Betting Duty Regulations 1987(2) and the General Betting Duty (Amendment) Regulations 2000(3) are revoked.

(2) Regulation 2 of the Betting and Gaming Duties (Payment) Regulations 1995(4) is omitted.

**Interpretation**

3. In these Regulations—

“accounting period”, subject to regulations 7 to 11 below, has the meaning given in section 5D(1)(a) of the Act;

“the Act” means the Betting and Gaming Duties Act 1981;

“bookmaker” includes—

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(1) 1981 c. 63; section 3(4) defines “financial spread bets”; section 12(4) defines “bookmaker”, “bookmaking”, “meeting”, “on-course bet”; section 33(1) defines “the Commissioners” as meaning the Commissioners of Customs and Excise; section 5D was inserted by the Finance Act 2001 (c. 9), Schedule 1; paragraph 2 of Schedule 1 was amended by the Finance Act 1987 (c. 16), section 3(3) and by the Finance Act 2001, Schedule 1.

(2) S.I. 1987/1963, amended by S.I. 1995/1555, 2000/1726.

(3) S.I. 2000/1726.

(4) S.I. 1995/1555, to which there are amendments not relevant to these Regulations.

- (a) a person who is a bet-broker (as defined in section 5C(1) of the Act), and
- (b) a person who is liable to pay duty by virtue of section 5B(4) of the Act,

and “bookmaking” includes the betting related activities of those persons;

“duty” means general betting duty charged in accordance with sections 2 to 5D of the Act;

“off-course bet” means a bet that is not an on-course bet;

“on-course bookmaker” means a person who intends to carry on or is carrying on bookmaking at a meeting,

and in references to “bets of any class”, on-course bets are not included.

### **Accepting bets**

4.—(1) A bookmaker must not accept a bet unless he immediately makes a record of that bet in such form as, in accordance with paragraph 6 of Schedule 1 to the Act, the Commissioners have directed.

(2) In the case of a bet placed by a person who is present, a bookmaker must immediately issue to that person a voucher bearing a record number.

(3) Where paragraph (2) above applies, the record number must be the same as the number used to identify the bet in the record referred to in paragraph (1) above.

(4) Subject to paragraph (5) below, an on-course bookmaker is not required to comply with paragraphs (1) and (2) above.

(5) An on-course bookmaker who accepts an off-course bet must in relation to that bet—

- (a) comply with paragraphs (1) and (2) above, and
- (b) except where paragraph (6) below applies, within 7 days of accepting it notify the Commissioners that he has accepted it.

(6) An on-course bookmaker who has—

- (a) notified the Commissioners that he intends to accept off-course bets, and
- (b) has not subsequently notified the Commissioners that he does not intend to accept off-course bets,

is not required to comply with paragraph (5)(b) above.

### **Returns**

5.—(1) For the purpose of accounting for duty every bookmaker must furnish the Commissioners with a return by the fifteenth day following the end of the accounting period to which it relates.

(2) A return must be furnished—

- (a) in a form specified in a notice published by the Commissioners and not withdrawn by a further notice, or
- (b) in such form to the like effect as the Commissioners may approve.

(3) A return must be furnished—

- (a) at the address specified on the form, or
- (b) by such means as the Commissioners may approve.

(4) Subject to paragraph (5) below, an on-course bookmaker is not required to furnish returns.

(5) An on-course bookmaker who accepts an off-course bet in an accounting period must furnish a return for that accounting period and, subject to paragraph (6) below, for every subsequent accounting period.

(6) An on-course bookmaker who has accepted off-course bets is not required to furnish a return for an accounting period if—

- (a) he did not accept an off-course bet in that accounting period,
- (b) when furnishing his return in relation to an earlier accounting period he notified the Commissioners that he does not intend to accept off-course bets, and
- (c) since he so notified the Commissioners he has not accepted an off-course bet.

### **Payment**

6.—(1) Not later than the fifteenth day following the end of an accounting period a bookmaker must pay to the Commissioners the duty due from him in respect of that accounting period.

(2) Payment must be made—

- (a) in such manner as is specified in a notice published by the Commissioners and not withdrawn by a further notice, or
- (b) in such manner as the Commissioners may approve.

(3) Where the manner of payment involves the collection of the duty due to the Commissioners by means of a direct debit, the bookmaker must ensure that he has sufficient funds in his account to satisfy the payment.

### **Non-standard accounting periods**

7.—(1) Subject to this regulation and regulations 8 to 11 below, the period beginning with the day these Regulations come into force and ending at the end of November 2001 is an accounting period.

(2) Where a bookmaker gives an effective notice in accordance with regulation 9 or 10 below that the first month of his three-month accounting periods will be October 2001, the period beginning with the day these Regulations come into force and ending at the end of December 2001 is his first three-month accounting period.

(3) A bookmaker cannot give an effective notice in accordance with regulation 9 or 10 below that the first month of his three-month accounting periods will be November 2001.

8.—(1) Subject to the provisions of this regulation, a bookmaker may give the Commissioners written notice that the twelve consecutive periods set out in his notice will be his accounting periods.

(2) The notice required by paragraph (1) above must—

- (a) be given to the Commissioners at least twenty-eight days before the day on which the first accounting period set out in the notice begins,
- (b) specify the day on which each accounting period begins, and
- (c) specify the day on which the twelfth accounting period ends,

and the day on which the twelfth accounting period ends must be no later than fifty-three weeks after the day on which the first accounting period begins.

(3) Each accounting period must be a period of not less than 27 consecutive days and not more than 35 consecutive days.

(4) Where the Commissioners receive a bookmaker's notice complying with this regulation—

- (a) his accounting period immediately preceding the first accounting period set out in his notice will end when that first accounting period begins,

- (b) the twelve consecutive periods set out in his notice will be his accounting periods, and
- (c) his accounting period immediately following the twelfth accounting period set out in his notice will begin when that twelfth accounting period ends.

(5) Unless in compliance with this regulation the Commissioners have received a notice that a bookmaker's accounting periods will be the further twelve consecutive accounting periods beginning when the twelfth accounting period mentioned in paragraph (4)(c) above ends, the accounting period immediately following that twelfth accounting period ends at the end of the month in which it began.

**9.—(1)** Subject to the provisions of this regulation, a bookmaker may give the Commissioners written notice that four consecutive accounting periods each comprising three consecutive months will be his accounting periods.

(2) The notice required by paragraph (1) above must be given to the Commissioners at least 28 days, but not more than 90 days, before the day on which the first three-month accounting period begins and must specify the first calendar month of that accounting period.

(3) A bookmaker must not give notice under paragraph (1) above if—

- (a) he has in the twelve months immediately preceding the date of his notice been convicted of an offence under paragraph 13(3) of Schedule 1 to the Act, or
- (b) he has failed to furnish any return that he was, in accordance with regulation 5 above or regulation 6 of the General Betting Duty Regulations 1987, required to furnish in the twelve months immediately preceding the date of his notice, or
- (c) (subject to regulation 11(3) below) any duty due from him in accordance with regulation 6 above or regulation 6 of the General Betting Duty Regulations 1987 is outstanding at the date of his notice.

(4) A bookmaker must not give notice under paragraph (1) above unless, subject to paragraph (6) below, his net stake receipts were a negative amount in two accounting periods within the twelve months immediately preceding the date of his notice.

(5) Any notice that—

- (a) does not comply with the requirements of this regulation,
- (b) is given in contravention of paragraph (3) or (4) above, or
- (c) is given in relation to a period that is already a three-month accounting period under these Regulations,

is ineffective.

(6) For the purposes of paragraph (4) above, a bookmaker's net stake receipts must be calculated, and he must be treated as if, each calendar month was an accounting period whether or not this is actually the case.

(7) For the purposes of this regulation, subject to paragraph (6) above, net stake receipts are to be calculated in the manner described in section 5(1) of the Act (including, where so required, in relation to periods before these Regulations came into force).

**10.—(1)** Subject to the provisions of this regulation, a bookmaker may give the Commissioners written notice that consecutive periods each comprising three consecutive months will be his accounting periods in respect of qualifying bets.

(2) The notice required by paragraph (1) above must be given to the Commissioners at least twenty-eight days before the day on which the first three-month accounting period begins and must specify the first calendar month of that accounting period.

(3) A bookmaker must not give notice under paragraph (1) above if—

- (a) he has in the twelve months immediately preceding the date of his notice been convicted of an offence under paragraph 13(3) of Schedule 1 to the Act, or
  - (b) he has failed to furnish any return that he was, in accordance with regulation 5 above or regulation 6 of the General Betting Duty Regulations 1987, required to furnish in the twelve months immediately preceding the date of his notice, or
  - (c) (subject to regulation 11(3) below) any duty due from him in accordance with regulation 6 above or regulation 6 of the General Betting Duty Regulations 1987 is outstanding at the date of his notice.
- (4) Any notice that does not comply with the requirements of this regulation or that is given in contravention of paragraph (3) above is ineffective.
- (5) In this regulation “qualifying bets” are—
- (a) financial spread bets, and
  - (b) bets of any class made with a qualifying bookmaker.
- (6) A bookmaker is a qualifying bookmaker if in the twelve months immediately preceding the date of his notice the aggregate of the amounts that were due to him in respect of bets of any class did not exceed £600,000.

**11.—**(1) Where a bookmaker’s accounting periods are specified under regulation 9 or 10 above and he—

- (a) is convicted of an offence under paragraph 13(3) of Schedule 1 to the Act,
- (b) fails to furnish a return by the due date in accordance with regulation 5 above, or
- (c) fails to pay duty due from him in accordance with regulation 6 above, each calendar month following the accounting period in which he was convicted or in respect of which that failure occurred is an accounting period.

(2) If—

- (a) a bookmaker’s accounting periods are specified under regulation 10 above, and
- (b) in the twelve months immediately preceding the end of any three-month accounting period the aggregate of the amounts that were due to that bookmaker in respect of bets of any class exceeded £750,000,

his accounting periods in respect of bets other than financial spread bets cease to be those specified under regulation 10 above; and each calendar month following the end of that three-month accounting period is an accounting period.

(3) For the purposes of—

- (a) regulations 9(3)(c) and 10(3)(c) above, and
- (b) paragraph (1)(c) of this regulation,

if the Commissioners have agreed to accept late payment of any duty that duty is not to be treated as outstanding from a bookmaker unless he fails to pay it by the time for payment agreed with the Commissioners.

### **Protection of the revenue**

**12.—**(1) The Commissioners may require a bookmaker to provide security (by means of deposit or otherwise) for the payment of any duty that is or may become due from him.

(2) Where—

- (a) a person provides facilities for bookmaking at the place where any event is to be held, and

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(b) it comes to his attention that a bookmaker at that place is not complying with regulation 4, 5 or 6 above,  
he must notify the Commissioners of the circumstances without delay.

New King's Beam House,  
22 Upper Ground,  
LONDON SE1 9PJ  
11th September 2001

*Martin Brown*  
Commissioner of Customs and Excise

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## EXPLANATORY NOTE

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

These Regulations come into force on 6th October 2001.

### **Purpose of the Regulations**

These Regulations provide the machinery for administering the general betting duty charged by sections 2 to 4 of the Betting and Gaming Duties Act 1981 (c. 63).

These Regulations replace the General Betting Duty Regulations 1987 (S.I.1987/1963) (as amended) and have been introduced as a consequence of the changes made to the Betting and Gaming Duties Act 1981 by Schedule 1 to the Finance Act 2001 (c. 9).

The principal features of these Regulations are:

- (a) changes to the requirements imposed on on-course bookmakers who accept off-course bets; and
- (b) the introduction of provisions for variations from the standard calendar month accounting period.

Regulation 4 prescribes the action to be taken by bookmakers to record bets. It also requires that an on-course bookmaker notifies the Commissioners within 7 days of accepting an off-course bet unless he has previously given notice that he intends to accept such bets.

Regulation 5 prescribes the timing and procedure for bookmakers to make returns. In particular, it requires that an on-course bookmaker who has accepted off-course bets must make returns until he stops taking such bets and has so notified the Commissioners.

Regulation 6 makes provision for the manner in which general betting duty must be paid.

Regulation 7 provides for variations to the standard calendar month accounting period for the calendar month in which these Regulations come into effect.

Regulation 8 provides for non-standard monthly accounting periods.

Regulation 9 provides for three-month accounting periods for bookmakers who have produced negative net stake receipts in any two of the previous twelve months.

Regulation 10 provides for accounting periods of three months for financial spread bets and for those bookmakers who, in the previous twelve months, were due not more than £600,000 in respect of dutiable bets.

Regulations 9 and 10 will not allow three-month accounting periods for bookmakers who have in the previous twelve months been convicted of certain offences or, who have failed to furnish returns, or who have any duty outstanding.

Regulation 11 details the circumstances in which three-month accounting periods will cease to apply.

Regulation 12 provides for security for duty and requires that the Commissioners be informed about non-compliance by on-course bookmakers.