## **EXPLANATORY NOTE**

(This note is not part of the Regulations)

These Regulations amend the Gambling (Operating Licence and Single-Machine Permit Fees) Regulations 2006 ("the 2006 Regulations") made under the Gambling Act 2005 ("the Act"). The amendments create certain new fee categories and set new levels of fees that will be payable under the 2006 Regulations from 31<sup>st</sup> July 2009.

The 2006 Regulations prescribe fees relating to operating licences (application, annual and other fees) and single-machine supply and maintenance permits (application fees only) issued under Parts 5 and 10 of the Gambling Act 2005 ("the Act") respectively.

Regulation 3 inserts new definitions into the 2006 Regulations. These introduce two new subcategories of the general betting (standard) operating licence fee category. The first of these defines a general betting (standard)(real events) operating licence which is a licence that is not a general betting (standard)(virtual events) operating licence. The second of these defines a general betting (standard)(virtual events) operating licence which is a remote general betting (standard) operating licence that only authorises a person to provide facilities for betting on the outcome of a virtual game, race or other event or process (as defined in section 353(3) of the Act).

Regulation 4 amends regulation 3 of the 2006 Regulations by introducing a new basis for determining the fee payable by certain holders of non-remote general betting (limited) operating licences. This applies where the licence holder provides, from a dog track, facilities for betting on the outcome of greyhound races which take place on that track between 8:00am and 7:00pm and are shown live on television at premises at which facilities for betting are provided by the holder of a general betting (standard) operating licence. The fee for a holder of such a licence is determined by subtracting the number of working days in the relevant period (as defined by regulation 3(3)(b) of the 2006 Regulations) on which the holder of the licence undertakes the activities referred to above from the total number of working days during that period on which the holder undertakes activities authorised by the licence.

Regulation 5 amends regulation 7 of the 2006 Regulations (which prescribes the basis for determining an application fee for a non-remote operating licence) by making this subject to a new regulation 8A.

Regulation 6 also amends Regulation 8 of the 2006 Regulations (which prescribes the basis for determining an annual fee for a non-remote operating licence) by making it subject to a new regulation 8A. Regulation 6 also introduces the new regulation 8A to prescribe application, annual and first annual fees for the holder of a non-remote general betting (standard) operating licence who holds a betting premises licence for fifty or fewer licensed premises and who does not make any gaming machines available for use in any of those premises. The application, annual and first annual fees for a licence holder within this category are determined by reference to whether the holder operates four or fewer, five to fifteen or sixteen to fifty licensed premises.

Regulations 7, 8 and 9 introduce additional fee categories for remote operating licences into Part 3 of the 2006 Regulations.

Regulation 10 amends regulation 16 of the 2006 Regulations by making that regulation (which prescribes the basis for determining an application fee for a combined operating licence) subject to the new regulation 16A, which prescribes the application fee for a particular category of combined remote operating licence.

Regulation 11 introduces a new regulation 16A into the 2006 Regulations to prescribe the basis for determining the application fee for a new category of combined remote operating licence. This category of licence combines two or more of a remote casino, a remote bingo or a general betting (standard)(virtual events) operating licence (and no other kind of licence). The application fee for this description of licence is set by reference to the annual gross gambling yield (defined by regulation 3(2)(a)(i) of the 2006 Regulations) generated by the activities authorised by the combined licence. The level of the application fee is prescribed in regulation 16A(2) to (4).

Regulation 12 amends regulation 17 of the 2006 Regulations to reduce the discount available to the holder of a combined operating licence in respect of the annual fee and first annual fee. The percentage of the fee payable in the circumstances described in the regulation is increased from 90 per cent to 95 per cent. Regulation 12 also makes regulation 17 (which prescribes the annual fee for a combined operating licence) subject to the new regulation 17A, which prescribes the annual and first annual fees for the new category of combined remote operating licence referred to above in connection with the new regulation 16A.

Regulation 13 introduces a new regulation 17A into the 2006 Regulations to prescribe the basis for determining an annual fee for that new category of combined remote operating licence. The annual fee for this category is set by reference to the annual gross gambling yield (defined by regulation 3(2) (a)(i) of the 2006 Regulations) generated by the activities authorised by the combined licence. The level of the annual fee is prescribed in Regulation 17A(2), (4) and (5). The first annual fee is set at the same level as the annual fee.

Regulation 14 amends regulation 21 of the 2006 Regulations so as to reduce the discount to the annual fee available to the holder of two operating licences, one which is a non-remote licence and the other a remote operating licence. The percentage reduction in the fee in each of the circumstances referred to in the regulation is reduced from 10 per cent to 5 per cent.

Regulations 15, 16 and 17 make minor and technical amendments to regulations 23(3), 23A and 23B of the 2006 Regulations. These amendments correct, inter alia, erroneous cross-references in those provisions.

Regulations 18 to 23 substitute new tables into Schedules 1 to 6 respectively of the 2006 Regulations.

A full regulatory impact assessment is annexed to the Explanatory Memorandum prepared in relation to this instrument.