
EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations make provision in relation to the Horserace Betting Levy (“the Levy”), which is administered by the Horserace Betting Levy Board (“the Levy Board”).

These Regulations commence on 1st April 2017 or the day after they are made, whichever is later. Regulation 2 makes provision for what happens if the Regulations do not come into force on 1st April 2017.

Paragraphs 1 to 10 of the Schedule amend the Betting, Gaming and Lotteries Act 1963 (“1963 Act”). Paragraph 2 amends section 24 of that Act. The duty of the Levy Board of assessing, collecting and applying the levy in section 24(1) is extended to betting exchange providers.

Paragraph 4 of the Schedule amends section 27 of the 1963 Act which creates the liability to pay the Levy. Section 27(1) is amended to extend the class of persons liable to pay the Levy to include betting exchange providers. By virtue of section 27(1C) this includes those bookmakers and betting exchange providers required to hold remote operating licences (within the meaning of Gambling Act 2005). Section 27(1A) charges the Levy at the rate of 10% of the amount by which a person’s profits for a levy period exceed the exempt amount. A person’s profits are the sum of their profits as a bookmaker and any commission charged as a betting exchange provider on leviable bets (section 27(1B)). The exempt amount is set at £500,000 (section 27D). A leviable bet is defined in section 29A as a bet that relates to horse racing in Great Britain and is made (whether in person or remotely) by a person who is in Great Britain when the bet is made.

Paragraph 5 of the Schedule inserts new sections 27A to 27E into the 1963 Act. Sections 27A to 27D detail how profits are to be calculated. Paragraph 6 of the Schedule amends section 28 of the 1963 Act, extending it to apply to all persons liable to the Levy. Paragraph 8 of the Schedule extends provision made about levy appeal tribunals in section 29 to all persons liable to the Levy.

Paragraphs 11 to 15 of the Schedule amend the Horserace Betting Levy Act 1969. Section 3, which relates to the Levy Board’s costs on appeal, is amended to extend to all persons liable to pay the Levy.

Paragraphs 16 to 21 of the Schedule amend the Horserace Betting Levy Act 1981. Section 1 provides the Levy Board may require a person to make payments on account in advance of assessment to the Levy. The remainder of the Act is amended to extend it to all persons liable to the Levy.

The Levy is a State aid within the meaning of Article 107(3) of the Treaty on the Functioning of the European Union. The amendments being made to the Levy ensure that it will be compatible with State aid rules.

No impact assessment has been prepared for these Regulations as they do not relate to regulatory matters. An explanatory memorandum is available alongside this instrument on the Legislation UK website at www.legislation.gov.uk.