

Combined bingo

Who is likely to be affected?

Bingo operators who may wish to promote games of combined bingo in conjunction with operators outside of the United Kingdom.

General description of the measure

This measure removes the requirement in relation to combined bingo for the bingo to be played entirely in the United Kingdom.

Policy objective

This measure will encourage UK bingo promoters to grow their business and expand their customer base by amending bingo duty legislation to modify the restrictions and allow UK bingo promoters to link with overseas operators to offer 'combined' games of bingo.

Background to the measure

This measure was announced at Budget 2012 and HM Revenue & Customs (HMRC) held an informal consultation with representatives from the bingo industry during the summer.

Detailed proposal

Operative date

This measure will have effect for any combined bingo that is played in accounting periods that begin on and after the date that Finance Bill 2013 receives Royal Assent.

Current law

Combined bingo is a game of bingo played simultaneously in more than one place and promoted by more than one person. The current law on combined bingo is contained in section 20A of the Betting and Gaming Duties Act 1981. This makes provision to prevent double-counting of receipts but, as an anti-avoidance measure, this provision only applies where the combined bingo is played entirely in the United Kingdom.

Proposed revisions

Legislation to be introduced in Finance Bill 2013 will amend section 20A to allow the current administrative arrangements for combined bingo to apply without the condition that the combined bingo is played entirely within the UK.

Summary of impacts

Exchequer impact (£m)	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
	-	negligible	negligible	negligible	negligible	negligible
	This measure is expected to have a negligible impact on the Exchequer. Any impact will be set out at Budget 2013.					
Economic impact	The measure is not expected to have any significant economic impacts.					
Impact on individuals and households	Removing the requirement that combined bingo is played entirely in the UK will have no direct impact on individuals and households as only licensed bingo operators are affected. However by removing this restriction larger jackpot prizes may be offered for games of combined bingo which may indirectly benefit those individuals who participate.					
Equalities impacts	No impacts have been identified on any group with protected characteristics.					
Impact on business including civil society organisations	This measure will potentially affect any licensed bingo operators who organise games of combined bingo and choose to extend those games to include participation by non-UK operators. However as the number of businesses that may be affected is believed to be negligible and no additional on-going annual cost or administrative burden are being imposed, the overall impact on business is also expected to be negligible.					
Operational impact (£m) (HMRC or other)	It is not anticipated that implementing this change will incur any additional costs for HMRC.					
Other impacts	<p><u>Small firms impact test:</u> Although this activity is optional small firms may be affected by this measure. The Government however is satisfied that the impact will be negligible and any impacted firms will have the capacity to understand and implement the change.</p> <p><u>Competition assessment:</u> This measure does not have a negative effect on competition.</p> <p>Other impacts have been considered and none have been identified.</p>					

Monitoring and evaluation

The measure will be kept under review through regular communication with the relevant business sector.

Further advice

If you have any questions about this change, please contact Brian O'Kane on 0161 827 0325 (email: brian.okane@hmrc.gsi.gov.uk).

1 Combined bingo

- (1) Section 20A of BGDA 1981 (combined bingo) is amended as follows.
- (2) In subsection (3) for the words from the beginning to “second promoter”) –” substitute “Where money representing such payments (so far as they constituted stakes hazarded in the combined bingo) is paid in an accounting period by one promoter of the bingo (“the first promoter”) to another (“the second promoter”), to the extent that the money is used (directly or indirectly) to provide bingo winnings for combined bingo promoted by the second promoter –”.
- (3) Omit subsection (4).
- (4) The amendment made by this section has effect in relation to accounting periods beginning on or after the day on which this Act is passed.

EXPLANATORY NOTE

COMBINED BINGO

SUMMARY

1. This clause amends section 20A of the Betting and Gaming Duties Act 1981 (BGDA) which provides the accounting arrangements for games of combined bingo.

DETAILS OF THE CLAUSE

2. Subsection (2) amends section 20A(3) of BGDA 1981 to define the payments that may be taken into account for the purpose of calculating the duty liability from combined bingo.
3. Subsection (3) removes section 20A(4) of BGDA 1981. Section 20A(4) is the qualifying condition that the game is played entirely in the United Kingdom. Removal of subsection 20A(4) will enable bingo promoters in the United Kingdom to offer games in conjunction with promoters outside the United Kingdom without affecting their own bingo duty liability.
4. Subsection (4) provides that these new accounting arrangements will have effect for bingo duty accounting periods that begin on or after the date of Royal Assent to Finance Bill 2013.

BACKGROUND NOTE

5. Bingo duty is charged at 20 per cent of a person's bingo profits, calculated by reference to receipts and expenditure on winnings. Bingo that is promoted by more than one person and played simultaneously at more than one place is known as combined bingo. To prevent double counting of payments that are transferred between promoters, as contributions to prize funds, special accounting provisions apply to combined bingo. These accounting provisions only apply where the bingo is played entirely in the United Kingdom.
6. This clause will modify the accounting arrangements and remove the qualifying condition that the game is played entirely in the United Kingdom. This will enable bingo promoters in the United Kingdom to offer games in conjunction with promoters elsewhere without affecting their own bingo duty liability.
7. If you have any questions about this change, or comments on the legislation, please contact Brian O'Kane on 0161 827 0325 (email: brian.okane@hmrc.gsi.gov.uk).

FINANCE BILL