

Gambling Tax Reform 2014 (GTR) Implementation Working Group
100 Parliament Street, London – 28 May 2014

Attendees:

Sally Beggs - chair	HMRC Deputy Director Indirect Taxes
Andy Grimsley	HMRC
Brian O'Kane	HMRC
Katherine Mansfield	HMRC
Judith Pattison	HMRC
Victoria Daniels	RGA
Sue Rossiter	RGA
Alasdair MacEwen	GBGA
David Farmer	ABB
Rachael Keegan	ABB
Alex Scott	RGA Guest
Sandra Silcock	HMRC secretariat
Apologies	
Cherry Hosking	Bingo Association
Thomas Bowey	RGA
James White	RGA
Sarah Kostense Winterton	GBGA
Tracy Damestani	NCF

Main points of discussion

1. Sally opened the meeting and introduced our guests.
2. The note of the meeting of 25 April was agreed. Review of action points
 - 1 – (25 April) HMRC agreed that they would take on board the IWG request to include a prompt to remind operators to renew non standard tax periods.
 Response – This will be included in phase 2 of the GTR delivery. Action closed.
 - 2 – (25 April) HMRC will issue the draft screenshots to the IWG.
 Response – Draft screenshots issued 23 May. Action closed.
 - 3 – (25 April) HMRC to notify progress on reaching appropriate bi-lateral agreements with certain territories.
 Response – included as an agenda item for this meeting. Action ongoing.
 - 4 – (25 April) HMRC to articulate arrangements for bringing to an end Double Taxation Relief.
 Response – Narrative sent out to group and content agreed. Details will be published on Gambling Tax Reform page on the Internet. Action closed
 - 5 – (25 April) RGA and the Tote to come back with options.
 Response – Action ongoing proposals should be with HMRC soon and will be tabled for discussion at the next meeting.
 - 6 – (25 April) GBGA to seek further advice from their members in relation to the UK person test.
 Response – Further correspondence received from the GBGA around the UK person test but this did not contain any new information that justified re-opening the agreement reached at the meeting of 7 March. The definition and approach to UK person was agreed following detailed discussion within the group and is now published on HMRC's website as guidance for businesses to rely on. HMRC confirmed that they are proceeding with the implementation of GTR on the basis of the published guidance.

Main meeting points of discussion

3. Communications plan

Judith Pattison ran through the detail of the plan and asked the group members for suggestions and feedback on whether the messages communicated so far are being heard and understood.

The group agreed it was too early to say. There is a conference in Spain next month and group members attending will use the event to seek feedback for the next meeting.

HMRC has contacted the Gambling Commission and they are happy to publish key messages in their e-Bulletin in June.

HMRC will channel messages via International and UK embassies and will use the Overseas Regulator list provided by the group and will also make use of Twitter and HMRC's Agent update facility.

4. Public Notices

Katherine Mansfield explained that the public notices, issued in draft to the group in advance of the meeting, focus on the tertiary law for the individual duties.

All three draft notices have similar provision with regard to UK person (reflecting the previous text agreed by the group with slight changes to make the text appropriate to the notices) but each has distinct sections pertaining to the individual duties.

The draft notices contain information about record keeping. This updates current (dated) statutory guidance. HMRC has sought to strike a balance between the need to give businesses certainty and being overly prescriptive.

HMRC plans to publish the notices in July to give businesses early certainty on the requirements they will have to fulfil. In view of the tight timetable, the group kindly agreed to come back with comments within the next seven calendar days.

The group discussed how we should communicate general 'how to' guidance for the new service, and it was agreed that comprehensive, well signposted electronic guidance on a specific area of the website would be preferable.

5. Betting Exchanges - provision of information to Bookmakers

Andy referred to the draft Statutory Instrument, circulated to the group, which contains the legal provision to require betting exchanges to provide information to bookmakers (on request). He confirmed that the legislation is intended to provide a legal framework to allow bookmakers to have the information to allow them to make a correct return declaration in respect of UK receipts they receive from exchanges.

Each exchange will need to agree a method for providing information to Bookmakers with HMRC. An exchange will only be required to provide a single overall figure for each accounting period specified by the bookmaker. The draft legislation gives the betting exchange the later of either 14 days from receiving the request, or 14 days from the end of the accounting period concerned (if the bookmaker requests the information in advance).

6. Update on bi-lateral agreements with certain territories

Andy confirmed that the Exchequer Secretary has written to the relevant agencies in Gibraltar seeking their agreement to collecting any GBD, PBD and RGD debts on the UK's behalf. If agreement is reached this will mean that Gibraltar based operators

will not have to appoint fiscal or administrative representatives in the UK. HMRC will be sending a similar letter to the Isle of Man authorities.

7. AOB Taxation of Pooled Gaming

Microgaming (a network provider) made a presentation to the group about how pooled gaming operates and how that might interact with the proposed tax treatment of pools. The network providers rely upon the operators for details about the customers as they deal directly with the players. The network providers incentivise the operators to bring in players and this helps to determine the share of the revenue. There was a concern that the pooled gaming calculation set out in legislation did not take account of the fact that operators might receive a different proportion of takings from the share derived purely from their own customers (the incentive structure Microgaming had in place meant that there was a differential commission structure). They explained that this could mean they would have to put additional systems in place for tax purposes which would be burdensome.

HMRC agreed to consider and to report back

Actions from this meeting

1. Carried forward from – (25 April) Tote Gambling – The RGA and the Tote to come back with options about how they will communicate and share information.
2. The group to provide comments on the Public Notices within seven calendar days (4 June).
3. Bi-lateral agreement with territories – ongoing – and update at next meeting.
4. HMRC to consider how differential commission sits in the pooled gaming model.

Next meeting Wednesday 25 June 11.00 -12.00 100 Parliament Street, Room: LG/04