

Treasury  
Customs and Excise Division

Notice 451 MAN

Gambling Duty



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**Isle of Man**  
Government

*Reilrys Ellan Vannin*

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## General

### 1. **What this Notice is about**

This Notice is concerned with Gambling Duty charged under the Gambling Duty Act 2012 on certain types of gambling activity in the Island. Gambling Duty is charged on -

- Online gambling
- Pool betting
- Betting

Gambling Duty is not charged on -

- Gambling on gaming machines (where subject to Machine Games Duty)
- Gaming in a casino
- Bingo (unless a form of online gambling)
- On-course betting (where properly authorised and licensed)
- National lottery games (which are subject to Lottery Duty)

Gambling Duty replaces -

- Pool Betting Duty
- General Betting Duty
- Online Gambling Duty

Unless the contrary intention is made clear, nothing in this Notice may be taken to change the law.

### 2. ... Omitted.

### 3. **Can an operator advertise in the UK?**

The Treasury understands that there is currently no prohibition on operators licensed and located in the Isle of Man taking bets, wagers etc from customers located in the UK if those bets are made by post, telephone or other means of electronic communications.

However, if the UK introduces taxation of gambling based on the place of consumption, operators in the Island accepting bets, wagers etc from customers in the UK may be required to be licensed in the UK and pay the appropriate duty to HM Revenue and Customs.

## About the Duty

### 4. **What activities are subject to Gambling Duty?**

Gambling Duty is payable by an operator on the gambling yield of any gambling, whether or not the operator is licensed and whether or not the gambling is lawful, or on the gross amounts charged by a betting intermediary (whether by deduction from winnings or otherwise

for use of facilities provided by the intermediary).

The duty is payable where a significant part of the gambling activity takes place in the Island and where the operator is licensed (or should be licensed), or the facilities involved in any gambling operation (or at least one piece of equipment used in any such operation) are located in the Island - whether or not those facilities are, or that equipment is, provided wholly or partly for use in the Island.

"Gambling" is defined in section 4 of the Gambling Duty Act 2012 - see the Glossary.

However, a person does not become liable to duty only by reason that, in the course of business, they provide electronic communications on behalf of, or provide software to or on behalf of, a person involved in gambling. However, if such communication or software is intended for use solely for facilitating gambling (such as in handling co-mingled bets) then there may be a liability to duty.

A person does not become liable to duty for the activity undertaken in a licensed casino pursuant to a licence issued under section 3 of the Casino Act 1986, or where the activity is in the temporary use of disaster recovery facilities (see paragraph 9).

#### 5. **Bets for community benefit**

No duty may be payable in respect of bets that meet the criteria laid down in the Act for "bets made for community benefit" (see Glossary).

Any person or organisation that wishes to take bets made for community benefit must contact Customs and Excise in advance and will be asked to provide further information or evidence. Unless satisfied that the activity meets the criteria for exemption from duty, Customs and Excise will continue to charge duty on any gambling activity. For this reason an operator should obtain agreement in writing from Customs and Excise before offering or accepting bets which it considers ones that qualify for the exemption.

#### 6. **How is the liability to duty determined?**

Gambling Duty is charged as a percentage of the gambling yield from the gambling activity. The gambling yield is calculated on either -

- the net stakes receipts basis; or
- the retained profits basis.

The "net stakes receipt" basis uses the total amount of all bets or stakes made, and the price of all chances sold less the value of all winnings and prizes due in the course of the gambling during the accounting period in question.

The "retained profits" basis uses the profit accruing to the operator (including betting intermediaries) in the form of commission, entrance fee or otherwise (and including any commission, bonus or retrospective supplement payable by an associate or other operator).

Those types of gambling where duty is calculated on the retained profits basis are prescribed by order.

Operators should confirm with Customs and Excise the appropriate basis for calculating duty before they commence taking bets, wagers etc.

Where an operator's liability to duty might vary according to the nature or type of gambling that is involved, the Treasury shall determine what is the predominant type of gambling

involved in a specific game or competition and specify on what basis the gambling yield is to be determined.

The return of a stake shall be treated as winnings for the purpose of calculating duty.

Prizes provided by an operator to one user on behalf of another are not to be treated as prizes provided by the operator for the purposes of the duty calculation.

#### 7. **What types of gambling use the retained profits basis?**

The current list of those types that may use the retained profits basis to calculate Gambling Duty is as follows -

- Prize draws, prize competitions and lotteries
- Poker or other games where individual players play against one another using systems or facilities provided by an operator
- Sponsored pool betting and pari-mutual betting
- The co-mingling of bets from two or more customers where the operator obtains income from commission or other charges, fees etc based on the value of the bets which are co-mingled
- Where the operator acts as a betting exchange
- Where the operator acts as a bet-broker
- Spread betting

This list applies regardless of whether the operator or activity is licensed and lawful in the Island.

#### 8. **Are there any exemptions from duty?**

There are a number of exceptions and exemptions from Gambling Duty which are available to licensed operators -

- Bets made for community benefit (see paragraph 5)
- Disaster recovery/business continuity (see below)
- Transitional arrangements for new operators in the process of locating or relocating to the Island - no duty would be due on test bets or "play for fun" bets where the operator derived no income from the gambling
- Networks and groups of operators may be able to pool liability, have a representative member of the network or group account for any duty due, and benefit from a more attractive duty-rate (see paragraphs 24 and 25)
- Losses (negative gambling yield) and chargeback by a payment provider may be offset against duty liability (see paragraphs 11 and 12)
- Bad debts need only be included in a duty calculation when the operator receives payment, and use of facilities for "free" for discounted bets, wagers etc need only be included in the duty calculation at the actual price or cost accounted for by the customer (see paragraph 12)

9. **Disaster recovery/business continuity**

Operators permitted by the Gambling Supervision Commission to make temporary use of authorised disaster recovery facilities would not have to account for duty on bets, wagers etc placed or accepted during this temporary period.

10. **Is there any relief for duty or tax paid elsewhere in respect of the same activity?**

The Gambling Duty Act 2012 includes provision for "double duty relief" whereby an operator may offset their liability to Gambling Duty against some or all of any tax or duty paid in respect of the same activity in another jurisdiction - where the Treasury allows by order the offset in respect of the country concerned, and subject to such conditions as may be imposed.

With effect from 1 December 2014, double duty relief became available to operators where they were liable to a corresponding gambling duty in another jurisdiction, and -

- (a) the operator provides satisfactory evidence that the foreign gambling duty has been paid to a relevant competent authority in the other country or territory;
- (b) the amount of the claim is more than £100;
- (c) the foreign gambling duty has not been repaid or remitted to the operator, or be eligible for any form of offset or credit;
- (d) the foreign gambling duty relates to gambling that took place on or after 1 December 2014;
- (e) the claim is made using the form prescribed by the Treasury in a Notice published by Customs and Excise and accompany the operators gambling duty return; and
- (f) the foreign gambling duty must have been chargeable on a "place of consumption" basis in the country or territory where that duty was paid.

Please note that if any foreign gambling duty is repaid to the operator, or the operator receives any other form of credit, offset etc that has the effect of reducing the amount of foreign gambling duty involved in the claim for relief, the operator must immediately notify Customs and Excise and pay any gambling duty that is due as a result.

The relief available applies to the Isle of Man gambling duty that the operator is or would be liable to pay, i.e. the amount that can be claimed is the amount of Isle of Man duty due, and not the amount of any foreign gambling duty that has been paid.

For more details please contact the Advice Centre.

11. **Can I get repayments of duty on losing bets, wagers etc?**

No.

However, you can offset any such losses against winnings in the duty calculation. If the calculation then produces a negative result you may carry forward this figure to the following accounting period, and so on until exhausted.

Where a payment provider cancels or recovers from an operator a payment for a bet, wager etc (commonly known as a "chargeback") the operator may deduct that amount from the duty calculation for the following accounting period.

Any chargeback by a payment provider of amounts already included in a duty calculation can

be included in the losses figure for offset against the following duty calculation in the same way.

12. **Bad debts**

An operator does not have to include in their duty calculation any amount until they have received the payment.

You need not account for any bad debt until such time as you receive payment.

13. **What if I have overpaid duty?**

You may offset the amount overpaid against your duty liability for the following accounting period(s).

The Gambling Act 2012 also allows for claims for repayment of overpaid duty, subject to the use of the correct claim form and supply of any further information that may be required. Such claims are subject to the normal 4-year cap on excise repayments.

14. **Do bets, wagers etc by Island customers with UK operators incur duty?**

These may create a liability to duty in the UK, which should be accounted for by the operator there. No additional duty would be due in the Island where bets are made by customers in the Island with operators based in the UK or elsewhere, where there was no gambling activity involved in the Island. However, any agent or intermediary in the Island may be liable to duty if they accept, negotiate or collect bets, wagers etc in the Island on behalf of an operator based elsewhere.

15. **Who has to pay the duty?**

The operator, whether or not licensed by the Gambling Supervision Commission.

If the operator fails to pay the Treasury can seek to recover the amount due from other persons, such as the person responsible for the management of the business, or the director of a company that is the operator.

16. **What is the rate of duty?**

At the time of publication of this Notice, the duty-rates are as follows.

Except for operators offering pool betting (see Glossary), operators must pay the following prescribed proportion of their gambling yield -

- On the first £20 million per annum 1.5%
- On the next £20 million per annum 0.5%
- On any amount in excess of the first £40 million 0.1%

Operators offering pool betting are liable to a single duty-rate of 15%.

You should check with the Advice Centre that these rates have not changed.

Operators are liable to pay duty at each of the tiered rates, becoming liable to the next higher rate only when their gambling yield in that year has exceeded the ceiling for the previous rate. For example, if an operator has a gambling yield of £21 million then their liability would be £305,000, made up as follows -



£20 million	@	1.5%	=	£300,000
£1 million	@	0.5%	=	£ 5,000

The operator would then account for any further gambling yield at the same 0.5% rate until the aggregate gambling yield for that year exceeded £40 million, after which any subsequent gambling yield would be liable to the 0.1% rate.

The per annum liability is calculated using the 12 months beginning with the first day of the calendar month that the operator began accepting bets, wagers etc liable to duty (or such other length of period as may be allowed by the Collector in writing). For example, if an operator began operations in March 2014, the year for calculating the use of the tiered duty-rates would run from 1<sup>st</sup> March 2014 to 28<sup>th</sup> February 2015.

**17. When is the duty due?**

At the end of each accounting period all duty chargeable in respect of bets, wagers etc made and completed in that period becomes due.

The accounting period is a calendar month, and the relevant duty return and payment must be received by Customs and Excise no later than the 15<sup>th</sup> day following the end of the accounting period to which they relate.

Payment of the duty must accompany the return, unless some alternative arrangement has been agreed in writing by the Collector.

**18. Assessments and penalties**

Any unpaid or underpaid Gambling Duty may be assessed by Customs and Excise and would be recoverable in the same way as any other unpaid duty - by means of distraint (seizure of goods), civil recovery (litigation in the High Court) or by means of a Treasury Warrant.

A Treasury Warrant is a document prepared and issued by Customs and Excise which has the same legal status as a High Court debt judgment and may be executed in the same way. Please see sections 24 and 25 of the Act for details.

There are financial civil penalties available that may be imposed for inaccuracies, failure to notify and other wrongdoing. These penalties are designed to encourage people to come forward when they think they have a problem with their tax affairs or have failed to meet a requirement. Disclosing failures or inaccuracies at an early stage would normally substantially reduce any potential penalty, particularly if the disclosure is unprompted. A disclosure is unprompted if the person making it has no reason to believe that the Treasury had discovered, or was about to discover, the inaccuracy or failure.

Where an inaccuracy or failure is not deliberate, and the person admits it without prompting, the penalty can be reduced to zero in some circumstances.

There would normally be no penalty if the person can demonstrate that they have taken reasonable care to get their duty right but still submit an incorrect return. However, penalties are substantially higher for those who try not to pay the right amount of duty in order to gain an unfair advantage.

For more information on assessments and penalties please see the Customs and Excise website.

In addition to any civil penalties, the Gambling Duty Act 2012 retains criminal penalties for fraudulent evasion of duty and for obstruction of an officer of customs and excise in the

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exercise of their functions.

Finally, the Act also contains criminal penalties for the promotion of gambling with an operator outside the Island, unless the transaction is subject to Gambling Duty here, or involves an operator licensed (or exempt from licensing) in the UK or another EEA State (or such other place as may be designated by order).

19. **What is the liability of bets laid off with operators in the Island?**

If you, as an operator, pass on bets, wagers etc to another operator in the Island, as a hedge against your own losses, then this constitutes a new, additional bet, wager etc and the operator receiving the bet, wager etc must account for duty in respect of that bet in the normal way.

20. **What is the liability of bets laid off with operators outside the Island?**

If you, as an operator, lay off bets, wagers etc with operators outside the Island, as a hedge against your own losses, then you are not liable to pay Gambling Duty on the bets, wagers etc when you lay them, but -

- duty is due on the original bet, wager etc from your customer;
- you cannot offset the cost or loss involved in laying off the bet, wager etc against your duty liability; and
- if your laid-off bet, wager etc wins you need not include your winnings in your duty calculation.

21. **What about “free bets”, player bonuses etc?**

Where bets, wagers etc are offered to customers and do not require payment from that customer (“free bets”) then these are not included in your duty calculation.

Operators using the “retained profits” basis of liability to duty may also exclude free plays provided to customers.

Where customers are allowed a proportion of their original stake back in return for a prescribed level of activity (“player bonuses”), this may also be excluded from the operator’s duty calculation.

22. **Is there duty due on void bets, wagers etc?**

Yes. Unless the stake is refunded in full to the customer, in which case the two amounts will cancel one another out in that period’s duty calculation.

23. **What about winnings in other than sterling?**

You may operate your games using whatever currency you prefer. However, after carrying out your duty calculation the declared amount must be in pounds sterling, and the amounts shown on your duty account must be converted to sterling. The Advice Centre can advise you on the use of rates of exchange for converting currencies for use in your duty account and/or if you wish to pay in euros.

24. **Payment of duty by someone else (grouping)**

Section 13 of the Gambling Duty Act 2012 allows for two or more operators located in the Island to be treated as a single operator for duty purposes (“a group operator”) if -

- one of them controls the other(s); or
- one person (whether a body corporate or an individual) controls both or all of them, and
- they have the written approval of the Collector.

One of the operators will be the "representative operator", responsible for submitting returns, making payment etc.

The group operator may not commence operations as a group operator until notified in writing by the Collector that it may do so.

Approval may be withdrawn if the Collector is no longer satisfied that the representative operator is able to exercise the degree of control necessary to ensure compliance, or it is otherwise necessary for the protection of the revenue.

Whilst the representative operator is normally responsible for accounting for any duty due, Customs and Excise may recover the duty jointly and severally from any of the operators in the group, any person responsible for management of any member of the group, a director of any company which is an operator in the group, or such other person as the Treasury may by order direct.

## 25. **Network gambling**

Section 13 of the Gambling Duty Act 2012 provides for two or more operators located in the Island to be regarded as a single "networked operator" if they are approved to do so by the Treasury, have applied in writing, giving details of -

- the proposed linked games to be offered to users; and
- which operator is to be the "representative operator" (responsible for submitting returns, making payment etc).

Approval may be withdrawn if the Collector is no longer satisfied that the representative operator is able to exercise the degree of control necessary to ensure compliance, or it is otherwise necessary for the protection of the revenue.

Whilst the representative operator is normally responsible for accounting for any duty due, Customs and Excise may recover the duty jointly and severally from any of the operators that were included in the application to be a networked operator (but only to the extent of that operator's liability), any person responsible for management of the representative operator or any of the other operators involved, a director of any company which is the representative operator or any of the other operators involved, or such other person as the Treasury may by order direct.

## 25A. **Double duty relief**

Operators which incur a foreign gambling duty which is of a like nature to gambling duty payable under the Gambling Duty Act 2012, paid to HMRC in the UK or to a relevant competent authority in another EU Member State may be entitled to submit a claim to Customs and Excise for repayment of any gambling duty payable in the Island in respect of the same gambling activity.

Double duty relief claims may be accepted where -

- (a) the operator provides satisfactory evidence that the foreign gambling duty is of a like nature to gambling duty payable in the Island;
- (b) the gambling duty paid or due to be paid in the Island is payable in respect of the gambling activity to which the foreign gambling duty relates;
- (c) the operator provides satisfactory evidence that the foreign gambling duty has been paid or accounted for to HMRC or the relevant competent authority by the operator;
- (d) the amount of claim is for more than £100;
- (e) the claim is received with the operator's gambling duty return for an accounting period;
- (f) the claim is made in the form specified for the purpose (see Notice 999 MAN).

Should the operator receive any repayment, remission, offset or other credit from HMRC or the relevant competent authority that has the effect of reducing the amount of foreign gambling duty to which the double duty relief relates, the operator must tell Customs and Excise immediately and will be required to pay any gambling duty that is due as a result.

Double duty relief is available where the bet, wager etc involving a final consumer (customer or punter) renders the operator liable to the foreign gambling duty. Where a gambling transaction is routed through an intermediary or third party, only the taxation involving the transaction with that final consumer would give rise to a claim for relief.

If the amount of foreign gambling duty paid in respect of gambling activity is less than the amount of gambling duty due in the Island in respect of that activity, the operator may only offset or claim credit for the amount of foreign gambling duty involved.

**Note that claims may only be made for the refund or offset of gambling duty paid on or after 1 December 2014.**

Because Customs and Excise must be satisfied that the foreign tax or duty is of a like nature to gambling duty payable in the Island, and that the gambling activity which attracted that charge of tax or duty is one for which gambling duty is or would be payable by the operator in the Island, **any operator who anticipates making a claim should contact Customs and Excise in advance, providing details of the foreign tax or duty involved, the evidence that it can provide, and an estimate of the likely size of any claim(s).**

## Notification and Security

### 26. **Must I tell anyone before I start business?**

Section 8(7) of the Gambling Duty Act 2012 requires any operator intending to undertake any gambling operation in respect of which Gambling Duty is payable to notify Treasury not less than 7 days before commencing that operation. This must be done by notifying Customs and Excise using the form prescribed in Notice 999 MAN.

An operator must also notify Customs and Excise of any change affecting a group or network (see paragraphs 24 and 25 above and paragraphs 27 and 28 below) where -

- a new member joins a group or network; and
- the date on which a new member of the group or network began dutiable gambling operations as part of that group or network.

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## 27. **Applications by group members**

Where two or more operators are applying to be treated as a group operator (see paragraph 24), an application must be made to the Collector containing the following details for all those operators applying to be treated as part of the group operator -

- name and trading name(s)
- company registration or other identifier for a corporate vehicle
- reference number issued by Customs and Excise for duty purposes
- VAT registration number (if applicable)
- address for correspondence, and for place or places of business in the Island
- details of the connections between the operators included in the application (and which operator is the representative operator for the group)
- description of the type(s) of activity undertaken and liable to duty
- evidence that all the operators included consent to the application
- the date(s) when they commenced activity liable to duty in the Island
- the intended date of commencing operations as a group operator, if approved.

The Collector may approve an application if satisfied that the representative operator of the group is able to exercise the necessary level of control to ensure compliance, that none of the operators involved have received a penalty in the preceding 2 years for late submission of a return or late payment of duty, and that approval will not create a risk to the revenue.

Approval may be withdrawn if the Collector is not satisfied that the representative operator can exercise the necessary level of control to ensure compliance or it is otherwise necessary for the protection of the revenue.

The group operator may not commence operations as such until notified in writing by the Collector that the application has been approved.

An operator must also notify Customs and Excise of any change affecting the group (see paragraph 24 above) where -

- a new member joins the group;
- a member of a group leaves the group; and
- the date on which a new member commenced dutiable gambling operations as part of the group, or a member leaving the group ceased dutiable gambling operations as part of that group.

## 28. **Application by networked operators**

Where two or more operators are applying to be treated as a networked operator (see paragraph 26), an application must be made to the Collector containing the following details for all those operators involved -

- name and trading name(s)
- company registration or other identified for a corporate vehicle
- reference number issued by Customs and Excise for duty purposes
- VAT registration number (if applicable)
- address for correspondence, and for place or places of business in the Island
- details of the connections between the operators included in the application (and which operator is the representative operator for the network)
- description of the type(s) of activity undertaken and liable to duty
- evidence that all the operators included consent to the application
- the date(s) when they commenced activity liable to duty in the Island
- the proposed linked games to be offered to users
- the intended date of commencing operations as a networked operator, if approved.

The Collector may approve an application if satisfied that the representative operator is able to exercise the necessary level of control to ensure compliance, that none of the operators involved have received a penalty in the preceding 2 years for late submission of a return or late payment of duty, and that approval will not create a risk to the revenue.

Approval may be withdrawn if the Collector is not satisfied that the representative operator can exercise the necessary level of control to ensure compliance, if linked games are no longer offered, or it is otherwise necessary for the protection of the revenue.

The networked operator may not commence operations as such until notified in writing by the Collector that the application has been approved.

An operator must also notify Customs and Excise of any change affecting a group or network (see paragraph 25 above) where -

- a new member joins the network;
- a member of a network leaves the network; and
- the date on which a new member commenced dutiable gambling operations as part of the network, or a member leaving the network ceased dutiable gambling operations as part of that network.

## 29. **Betting intermediaries**

A betting intermediary (see Glossary for a definition) may be an operator if they provide facilities (other than premises) or a service, in the course of business, designed to enable the making or acceptance of bets between others.

However, they would not be regarded as an operator if they only, in the course of a business, handle electronic communications on behalf of, or provide software to or on behalf of someone involved in gambling.

There has to be some involvement in the gambling activity. An example of a betting

intermediary could be an operator which co-mingles bets (i.e. aggregates bets from two or more sources for sending into totalisator, taking a handling charge or commission) as their only or main business activity.

30. **What rules or regulations govern the operation of my business or any premises I use?**

The operation of premises and facilities, the compliance with anti-money laundering requirements and compliance with the social law is the responsibility of the regulator, the Gambling Supervision Commission.

31. **Do I need to provide security?**

You would not normally be required to provide security. However, you may be required to provide it in certain circumstances. Section 22 of the Gambling Duty Act 2012 allows the Treasury to make the providing of security a condition for any operator who may be required to pay duty, or who may be eligible for a remission or repayment of duty.

31A. **What if I no longer undertake gambling activity which is liable to duty?**

If you permanently cease activity for which gambling duty may be due, you should inform Customs and Excise as soon as possible. You will be required to account for duty in the normal way on the duty return for the month in which the activity ceases.

If you cease activity for which gambling duty may be due, but you anticipate or intend it to be a temporary cessation, you should inform Customs and Excise as soon as possible. You should indicate the anticipated or intended period of cessation. You will be required to account for duty in the normal way for any month or part-month during which dutiable activity continued, but duty returns may not be issued to you during a period of temporary cessation. You must inform Customs and Excise immediately you recommence activity for which duty may be due.

However, if you cease trading paragraph 32 below applies.

31B. **What if a member of a group or network ceases to undertake gambling activity, ceases to be a member of the group or network, or ceases trading?**

If a member of a group or network permanently ceases activity for which gambling duty may be due, you should inform Customs and Excise as soon as possible. This would normally be the responsibility of the representative member. The reasons for the change should be given, and if the member involved -

- is to commence dutiable gambling activity in its own right, the requirements set out in paragraph 26 above would apply; or
- is to transfer to another group or network, details of the transfer and the expected date of commencing dutiable activity as part of that group or network should be provided.

If a member of a group or network ceases activity for which gambling duty may be due, but you anticipate or intend it to be a temporary cessation, you should inform Customs and Excise as soon as possible. You should indicate the anticipated or intended period of cessation. This would normally be the responsibility of the representative member. When the member recommences dutiable activity you should inform Customs and Excise.

If a member of a group or network ceases trading, but the group or network continues to operate, the representative member must inform Customs and Excise and provide details of when the member ceased trading. If the representative member ceases trading, then a new application under paragraphs 27 or 28 should be submitted, and Customs and Excise may

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allow the group or network to continue with a substitute representative member if the requirements of those paragraphs continue to be met.

32. **What happens if I cease trading?**

Under section 14 of the Gambling Duty Act 2012, if an operator ceases to carry on business for more than 28 days it must pay any duty due to Treasury within a further 28 days.

You should inform the Advice Centre as soon as you know you may cease trading, as well as advising the Gambling Supervision Commission.

## **Returns, Accounts and Records**

33. **Must I keep a record of bets, wagers etc?**

You must maintain a "duty account" in which you record details of how the duty liability for each accounting period has been determined.

Every representative operator of a group operator or networked operator must maintain a duty account recording details of how the duty liability for the group operator or networked operator has been determined.

As well as allowing access to the duty account and any supporting or associated records, an operator must provide to the Collector full details of how its gambling duty liability for an accounting period has been determined within 14 days of being required to do so in writing. Regulations also provide that the Collector may require in writing that any person who there are reasonable grounds to believe is carrying on a gambling operation to produce such records and accounts within 14 days of being required to do so.

If you keep your records on computer you must be able to produce them for inspection or supply to Customs and Excise in a legible form that may be removed or supplied to Customs and Excise.

34. **Must I keep a duty account?**

Yes. See paragraph 33.

35. **How do I pay the duty?**

You must do this at the end of each accounting period, to reach Customs and Excise within 15 days of the end of the period, as well as submitting the return supplied to you.

If you would like to pay by some means other than cash or by cheque, please contact the Advice Centre for details of what alternative methods are available.

If you submit a payment separately from a return, you should ensure that you attach or include your unique operator reference number issued to you by Customs and Excise, indicate that the payment is of Gambling Duty.

Late or non-payment of duty can result in an assessment and a financial penalty.

You may pay in sterling or in euros. If you wish to make payment in euros please contact the Advice Centre for information on use of exchange rates.

36. **How do I obtain the returns?**

You will be supplied these by Customs and Excise. If you have not received the necessary return form required please notify the Advice Centre immediately. If you have not received,



or have lost or mislaid the return you should provide the information that would be required on the return, and submit it and the payment before the due date.

**37. When must I complete and submit a return?**

You must do this following the end of each accounting period and ensure that it is submitted to Customs and Excise so that it is received no later than the 15<sup>th</sup> day following the end of the period.

Returns showing a "nil" liability to duty are required, including those produced because you have offset carried forward losses against your duty liability for that period.

Late or non-submission of a return could result in duty being assessed, as well as a financial penalty.

**38. How long must I keep my records?**

You should retain your duty account and associated records that support your determination of your duty liability (bank statements, cash and credit records, annual and management accounts, player accounts etc) for at least 4 years. This is without prejudice to requirements to retain such records for other purposes.

You should keep all records at your main business address on the Island, as notified to Customs and Excise, unless you have received permission in writing to keep them elsewhere.

**39. Can I apply for non-standard accounting periods?**

You can apply to the Collector for permission to use non-standard accounting periods. You would need to explain what periods you wish to use and the reasons why you wish to use them.

The decision to allow non-standard accounting periods is at the discretion of the Collector, who will take into account your compliance history in the preceding 12 months, and considerations for the protection of the revenue and the likely effect on official resources. Permission to use non-standard accounting periods may be withdrawn, by notice in writing from the Collector, if this is considered necessary for the protection of the revenue, the efficient use of official resources, or if your compliance record is not satisfactory.

## **Legal Powers and Penalties**

**40. What are the legal powers of Customs and Excise?**

Operators are considered to be "revenue traders" for the purposes of the revenue trade provisions of the Customs and Excise Management Act 1986 (sections 121, 123 and 124A to 124G), and the powers available for use in respect of revenue traders are available to officers in addition to their general powers and those specific powers contained in the Gambling Duty Act 2012.

In addition, the general powers to obtain information and documents, including from third parties and payment providers, contained in the Finance Acts 2008-2013 (as they have effect in the Island) are available.

Officers have the power to -

- enter any premises used (or where there are reasonable grounds to believe are being

used) for a gambling activity

- enter free of charge any track, venue or other place where gambling is underway
- remain on any premises, or at any track, venue or other place for so long as they have reasonable grounds to believe it is being used in connection with gambling activity
- issue an assessment of duty (plus interest and penalties) where duty has not been paid, has been under-declared or where a return has not been submitted
- direct what records and accounts are to be kept
- inspect any books, records, accounts kept, including any documents which relate (or appear to relate) to the business, including business bank accounts, annual accounts and player accounts
- take copies of any of the above books, records, accounts or documents (or to require copies of such books, records, accounts or documents to be supplied within 14 days), and to require any operator (whether licensed or not) to furnish such information or assistance as the officer may require
- levy distress for security debts or duty (when authorised to do so by a properly issued distress warrant)
- where there is evidence of fraud or obstruction, make arrests.

Section 26 of the Gambling Duty Act 2012 provides protection for an officer who takes any action in the pursuance of instructions of the Treasury given in accordance with enforcement of the Act that would otherwise have been an offence under any enactment relating to gambling.

#### 41. **Disclosure of information**

The Act provides that the Treasury may exchange information with -

- the Gambling Supervision Commission
- the Financial Supervision Commission
- the Department of Economic Development
- the Isle of Man Office of Fair Trading
- the Isle of Man Constabulary
- and any other body specified by order by the Treasury

for the purpose of assisting them in the performance of any duties imposed by or under an enactment relating to gambling. These powers are in addition to those -

- in section 174B of the Customs and Excise Management Act 1986 which allow the disclosure of information for the purposes of any criminal investigation or criminal proceedings that have or may be undertaken in the Island or elsewhere
- in article 7 of the Customs and Excise (Implementation of the 1979 Agreement) Order 1980 that provides for the exchange of information with HMRC in relation to pool betting duty, lottery duty and any other matter within the scope of the Customs and

## Excise Agreement 1979

- which sections 28 and 29 of the Gambling Duty Act 2012 provide for whereby the Treasury can by order make provision for the exchange of information and documents with bodies outside the Island, including for the enforcement of any international agreement on the recovery of gambling duty, including foreign gambling duty. At the date of publication of this Notice no such orders had been made.

### 42. **What penalties exist (civil and criminal)?**

See also paragraph 18 (assessments and penalties).

To encourage compliance, the Treasury can make use of a range of civil penalties of the kind available for other indirect taxes.

Civil financial penalties may be imposed for -

- an error on any return;
- failure to notify the Treasury of liability to duty; or
- contravention of any other requirement imposed by the Act, or by orders or regulations made under the Act (unless the contrary is indicated).

Section 30 of the Gambling Duty Act 2012 provides criminal penalties upon conviction for -

- making a false statement or submitting a false document with intent to deceive
- being knowingly concerned in, or taking steps with a view to, fraudulent evasion of duty - and any equipment used or cash received in connection with any gambling in respect of any evasion (or attempted evasion) of duty is liable to forfeiture
- obstruction of an officer in the course of their functions
- is involved in the promotion of overseas gambling in the Island (without accounting for duty in the Island), unless on behalf of an operator licensed in the UK or another EEA State or exempt from such licensing.

Section 32 of the Gambling Duty Act 2012 provides that where a section 30 offence is committed by a body corporate, and it is proved that an officer of that body corporate authorised, permitted or participated, or failed to take all reasonable steps to prevent the commission of the offence, he or she may also be liable. This would apply to directors, company secretaries and similar officers, any person purporting to act as such, or (where an operator is managed by its members) a member.

### 43. **What if I am unhappy with the way I have been treated?**

Customs and Excise is committed to providing a high standard of service to the public. It aims to do its work in a fair and reasonable way and to provide an efficient service. Where you are an individual, company or other organisation, if you are not satisfied please tell us straight away. Your complaint will be considered promptly and you will be told the outcome. If you wish to complain about the behaviour of an individual officer, please ask the Advice Centre for a copy of the appropriate explanatory leaflet.

You may appeal most decisions or assessments made by Customs and Excise, including any assessment or penalty in connection with Gambling Duty, and most of the decisions that may be made by or on behalf of the Treasury, Customs and Excise or the Collector. The only exceptions would be where criminal proceedings are involved, where goods have been seized

(where there is a separate route of appeal), or where the Collector has made a discretionary decision (e.g. whether or not to allow non-standard accounting periods). Any appealable assessment or decision is subject to a review process undertaken by a senior officer uninvolved in the original decision. You are also able to lodge an appeal to the independent VAT and Duties Tribunal. Please ask the Advice Centre for information on how to request a review and/or lodge an appeal.

## Particular Types of Gambling

### 44. **Agency bets**

This is where bets are taken by one bookmaker (the agent bookmaker) and passed on to another (principal) bookmaker or bookmakers. The agent bookmaker may be either an agent of the principal bookmaker or an agent of the customer. In an agency situation the agent itself is not liable for duty relating to bets that are passed on from the principal bookmaker if -

- there is a written agreement between the agent bookmaker and the principal bookmaker
- each bet passed on falls within the terms of this agreement
- the agent bookmaker passes on the terms and conditions which the principal bookmaker imposes on the bet to the customer, and the price (odds) quoted by the principal bookmaker must be the price at which the agent bookmaker settles with the customer
- it is made clear to the customer that the agent bookmaker is not accepting the bet but is passing it on to the principal bookmaker
- all of the bet is passed on to the principal bookmaker (if the agent bookmaker accepts any part of the bet on his own account he would become liable to duty on that part)
- a suitable record of all agency bets is maintained
- duty is accounted for in the Island by the principal bookmaker.

Note that under Island law an agent must themselves be in possession of a bookmaker's permit and licence.

### 45. **On-course bets**

Bets placed and accepted at an authorised track or venue by a bookmaker at that track or venue are not liable to duty.

Bets placed on "away meetings" (i.e. bets made at one track for horse or dog racing at another track) are not liable to duty if they meet the conditions for an on-course bet.

If you are unsure about the duty liability of any bet, wager etc please contact the Advice Centre.

### 46. **Void bets**

If a bet, wager etc becomes void it is expected that the operator will refund the customer. Any such refunds would not be regarded as winnings, nor would the voided stake, and therefore one should cancel the other out and not be included in the duty calculation.

A void bet, wager etc is one cancelled in accordance with the operator's previously agreed terms and conditions. Customs and Excise may require proof that the bet, wager etc became void. Simply failing to receive the stake money does not make a bet, wager etc void.

47. **Spread betting**

Spread betting would be liable to duty on the retained profits basis, on any income in form of fees, commission etc accruing to the operator.

48. **Sponsored pool betting**

This is where totalisator facilities are used and are either -

- approved for the purpose of sponsored pool betting by the Treasury; or
- provided at a track by the person having management of the track.

(but note that bets placed at the track itself by a person present at that track in the Island would be regarded as on-course bets and therefore not liable to duty).

Those operators wishing to operate sponsored pool betting using facilities that are not situated at a track and provided by the person having management of that track must apply for approval in writing from the Treasury (through Customs and Excise).

The term also covered what would be "betting intermediaries" for the purposes of the Gambling Duty Act 2012, being those operators that co-mingle and aggregate bets, wagers etc for transmission on into a totalisator outside the Island.

Note that any bets accepted that do not meet the above criteria may be liable to duty at the higher, pool betting duty-rate.

49. **Rebate betting**

This is a form of arrangement often seen in the USA, where customers who bet above a pre-set minimum amount during a given period are guaranteed a percentage rebate or refund of their stake money regardless of results. Such gambling will normally involve payments by the operator not only to the customers, but also to an agent (manager) who organises and administers a pool of customers involved in the arrangement.

If you anticipate involvement in rebate betting you should contact the Advice Centre, providing details, for advice on how to record and declare any bets, wagers etc and on the potential duty liability position.

50. **Are there any restrictions on overseas gambling?**

There are no restrictions on individual customers placing bets, wagers etc with bookmakers or others located outside the Island, and such bets, wagers etc incur no duty liability.

However, under section 30 of the Gambling Duty Act 2012 it is a criminal offence for any person to conduct a business or agency in the Island for the purposes of gambling and knowingly issues, circulates, distributes or has in their possession for the purpose of distribution any advertisement or other document inviting or otherwise relating to gambling with an operator or other person outside the Island unless -

- the transaction involved (or which is being invited) is subject to duty here;
- involves a licensed operator in the UK or another EEA State (or such other place as the

Treasury may by order specify); or

- is exempt from licensing in the UK, another EEA State or such other place as the Treasury may by order specify.

This provision is designed to protect the revenue from gambling in the Island.

51. **Revenue-sharing**

Where an operator has an arrangement with another person to supply the operator with bets, wagers etc which are accepted by the operator under the terms of a revenue-sharing agreement then, depending upon the actual terms and conditions between the parties concerned and under specific written approval from Customs and Excise, the operator may be authorised to exclude from its own duty calculation the amount owed to that person.

Consequently, any operator seeking to exclude costs associated with revenue-sharing arrangements must first obtain approval from Customs and Excise.

52. **Fixed-Odds Betting Terminals (FOBT)**

Such machines, even where present on the licensed premises of a bookmaker, are liable to Machine Games Duty in the Island, and therefore their stakes and winnings should not be included in any duty calculation for Gambling Duty purposes.

53. **Sleepers**

You must account for any payment when you accept the bet, even if this is before payment is received, and despite the fact that the event to which the bet relates may be some time in the future. You only include any winnings paid out for the bet when that payment becomes due (i.e. when paid or credited to the customer's account).

54. **Bets made by an on-course bookmaker with an off-course bookmaker, and Bets received as hedged bets from another, off-Island bookmaker**

Both of these examples would be liable to duty.

55. **Bets made by an overseas bookmaker with an on-course bookmaker in the Island**

These would be liable to duty. Bets made in the course of business by Island-based bookmakers with an on-course bookmaker would, however, be exempt from duty.

56. **Bet-brokers**

A bet-broker (see Glossary) may act as an agent for the person who wishes to make the bet (who may be either a disclosed or undisclosed principal), or may simply provide the facilities whereby the bet can be made. Bet-brokers are typically businesses that allow individuals to bet with one another without involving a licensed bookmaker.

Bets made by means of a bet-broker will be treated as if made to and accepted by the bet-broker, and the bet-broker treated as an operator (bookmaker), whether or not licensed as such, for duty purposes.

Customs and Excise understands that Island law would require anyone acting as a bet-broker in the Island to be licensed by the Gambling Supervision Commission.

Any commission paid from stake money to a bet-broker or agent by an operator must not be left out of the duty calculation, unless the relationship is one of operator and affiliate and

meets the conditions for revenue-sharing with affiliates (see paragraph 51).

57. **Betting exchanges**

The profits (typically commission charges, deductions from winnings or administration fees) accruing to a betting exchange (see the Glossary) from gambling activity is liable to duty on the retained profits basis.

Betting exchanges were formally liable to a standard 10% rate of General Betting Duty. However, for the purposes of Gambling Duty the usual duty-rates apply.

58. **Betting exchanges - business use by punters**

Where a customer of a betting exchanges is using wagers placed on the exchange in the course of business, and accepting bets, they can be considered as involved in the business of gambling as "bookmakers" and, if located in the Island, need to hold a permit from the Gambling Supervision Commission.

Such "non-recreational" users will also be subject to duty on their gambling yield.

However, betting exchange operators will not normally be liable for duty on the bets placed or accepted by bookmakers using their facilities (only on any charged the betting exchange operator makes for use of its services).

Betting exchange operators should take reasonable steps to identify non-recreational users.

59. **Any-to-come bets**

You do not need to have a percentage uplift system to take account of any-to-come bets when a bookmaker is using the net stakes receipt method of determining gambling yield. The stakes or winnings from each individual bet are accounted for in the normal way.

60. **Ante-post bets**

Receipts for ante-post bets are included with other stakes in the duty collection for the accounting period in which they are received. Any subsequent winnings are similarly included in the duty calculation in the accounting period during which they become payable.

61. **Linked progressive jackpot games**

In the case of such games, the making by the operator of a contribution towards the central prize fund shall be considered as the provision of a prize for duty purposes, but the award of a prize from that central fund is not to be treated as that operator providing a prize.

In other words, where such games are involved, the "winnings" which may be used in the operator's duty calculation are the contribution to the central prize fund - and any winning of that central prize fund is ignored for the purposes of duty.

## VAT

62. **Is gambling liable to VAT?**

The Treasury interprets EU and Isle of Man VAT legislation to mean that gambling with licensed operators is not liable to VAT. The Treasury considers that it would qualify for exemption under Schedule 10 to the Value Added Tax Act 1996, and therefore any supplies

would be exempt. Therefore, subject to future legislative changes, the Treasury would not seek to recover VAT on betting, wagering or the playing of games of chance involving those conducted by operators licensed in the Island or using disaster recovery facilities available under the Online Gambling Regulation Act 2001.

However, under the Value Added Tax (Betting, Gaming and Lotteries) Order 2007, illegal gaming, including illegal online gaming, is liable to standard-rated VAT.

63. **What about other activities?**

Some supplies made by an operator may be standard-rated for VAT purposes, for example -

- the provision of hardware; or
- assignment of intellectual property rights.

Where operators have a mix of both exempt and standard-rated supplies they may be able to register for VAT and recover part of their VAT payments (as "partial exempt"). However, operators should note that, if they make only exempt supplies, they will not be entitled to recovery of input tax.

Operators are advised to seek advice from Customs and Excise regarding any possible VAT liability - particularly when if a new operator, or when planning any new or innovative type of gambling.

## **Amendments to this Notice**

64. **Amendments to the Notice**

16 October 2014	Index amended, paragraphs 26 to 28 and new paragraph 31B inserted re notification requirements etc of groups and networks.  New paragraph 31A inserted to deal with situations where an operator ceases gambling activity, but continues to trade.  New paragraph 64 added to record subsequent amendment of the Notice.
21 November 2014	New paragraph 25A on double duty relief inserted.
16 March 2015	Paragraph 10 replaced to provide details of double duty relief available with effect from 1 December 2014.
14 August 2017	Minor amendment made to paragraph 56.
15 August 2017	Paragraph 2 (re initial introduction and transitional arrangements) omitted.



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## Glossary

Accounting period	A calendar month (unless authorised otherwise in writing by the Collector)
Advice Centre	The Business Advice Centre at Custom House, Douglas
Agent	A person who represents a bookmaker, and who passes on bets to that bookmaker. Island law does not permit bookmakers to have agents who negotiate bets, unless those agents are themselves licensed.
Ante-post bets	Bets made with a bookmaker for a race taking place in the future
Any-to-come bets	Bets made at one time for a succession of races, on the understanding that if the first bet wins (or the horse or dog is placed or each way), or is a non-runner, a pre-arranged amount is re-invested on each of the selected races in turn until either the money is exhausted or the selections are complete
Bet-broker	A person providing facilities whereby two or more persons can place bets with one another, or where someone acts as the agent of the original punter (whether or not the identity or existence of that original punter is disclosed). The person who receives bets from a bet-broker is known as a "bet-taker".
Betting	<p>The making or accepting a bet on -</p> <ul style="list-style-type: none"><li>(a) the outcome of a race, competition or other event or process (including when the event is in the past and one party to the transaction knows the outcome);</li><li>(b) the likelihood of anything occurring or not occurring (including when the thing has occurred or failed to occur and one party to the transaction knows the outcome); or</li><li>(c) whether anything is or is not true,</li></ul> <p>and includes spread betting made with a bookmaker in the Island who holds a bookmaker's licence and pool betting but not on-course betting.</p>
Betting exchange	A facility whereby individuals can place wagers against one another on the outcome of a given event. The operator of the exchange facilitates the bet, holds any stakes placed by either party and arranges for the payment of any winnings.

Betting intermediary	A person who, in the course of a business, provides facilities (other than premises alone) or a service designed to enable the making or acceptance of bets between others. The term would exclude those businesses that provide general electronic communications services or software that may be used by operators undertaking gambling activity. It is intended to include those whom are actively involved in the placing or accepting of bets, wagers etc in the course of business, and are involved in activity that could be construed as gambling activity regardless of any requirement to be licenced.
Bookmaker	A person who, whether or not licensed to do so, carries on the business of receiving or negotiating bets or conducting pool betting (whether as principal or agent, and whether regularly or not); or who holds themselves out (or permits such holding out) in the course of business as a person carrying on such a business.
Bookmaker's agent	See "Agent".
Chargeback	Where a payment provider, such as a credit card issuer, recovers from the merchant (operator) a sum of money previously paid or credited to the merchant - usually because the provider's customer has said that he or she did not actually make the purchase.
Collector	Collector of Customs and Excise, the chief officer of the Customs and Excise Division of the Treasury.
Co-mingling	Where an operator aggregates bets, wagers etc from two or more sources and feeds them into one or more other facilities so as to gain benefit from the size and value of the total. The operator normally receives their income from a handling charge, which may be linked to the total value of the bets, wagers etc co-mingled, or in the form of commission from those facilities which it supplies.
Commission agent	See "Agent".
Commission charges	Any amount that the parties to a bet, wager etc (whether as punter, in placing or accepting it, or aggregating and co-mingling it) are charged by an operator, whether by deduction from stakes, winnings or otherwise for the use of the operator's facilities. Any entry fee or other charge, and any retrospective bonus or rebate, should be included in the duty calculation.
Community benefit	Section 8(9) of the Gambling Duty Act 2012 provides for a duty exemption for "bets made for community benefit", and states that these are bets made where - <ul style="list-style-type: none"> <li>(a) the operator is an organisation established and conducted for <i>charitable purposes</i> only or wholly and mainly for the purposes of enabling participation in or of supporting education, sport or culture or for any other <i>non-commercial purposes not for private gain</i>;</li> <li>AND</li> </ul>

Community benefit (continued)	<p>(b) the person making the bet knows, when making it, that the purpose of the betting is to benefit that organisation; AND</p> <p>(c) a <i>substantial</i> part of the gambling yield is to be applied for the purposes of the organisation.</p>
Distraint and distress	Where a creditor can recover the value of a debt owed to it by seizure of goods and chattels belonging to the debtor.
Double duty relief	A relief from gambling duty where a foreign tax or duty of a like nature to gambling duty has been paid in respect of the same gambling activity that is liable to gambling duty in the Island. See section 17 of the Gambling Duty Act 2012 and paragraph 25A of this Notice.
Foreign gambling duty	Any tax or duty imposed under the law of another country or territory that appears to the Treasury to be of a like nature to Gambling Duty.
Gambling	<p>For the purposes of the Gambling Duty Act 2012, this is -</p> <p>(a) gaming;</p> <p>(b) betting;</p> <p>(c) participating in a lottery;</p> <p>(d) taking a ticket or chance in a lottery that is not unlawful by virtue of section 5(3) of the Lotteries and Amusements Act 1976 (an Act of Parliament); or</p> <p>(e) online gambling..</p>
Gambling receipts	<p>The aggregate of -</p> <p>(a) amounts falling due to the operator in an accounting period in respect of entitlement to use facilities for gambling provided by that operator; and</p> <p>(b) amounts staked, or falling due to be paid, in that period by a user of the facilities provided by the operator.</p>
Gambling yield	The "profit" from gambling activity which is used as the basis to calculate amounts of duty due from an operator. It may be determined using either the "net stakes receipt" or "retained profits" basis.

Group operator	<p>Where two or more operators are treated as a single operator for duty purposes. A group operator can be established where -</p> <ul style="list-style-type: none"> <li>(a) one of the operators controls each of the others; or</li> <li>(b) one person (a body corporate or individual) controls all of them.</li> </ul>
Licensed	<p>For the purpose of this Notice, licensed means holding the necessary licence or permit from the Gambling Supervision Commission for the type of activity a business is involved in, or the equivalent of such a licence or permit issued by the competent authority in another jurisdiction.</p>
Linked games	<p>Games offered by networked operators, being a type of gambling access made available to users by two or more operators who jointly provide the prizes or winnings for the games.</p>
Linked progressive jackpot games	<p>Where an operator participates in arrangements under which a number of operators who provide facilities contribute towards a fund which is wholly used to provide prizes in connection with the use of those facilities.</p>
Lottery	<p>See section 5 of the Gambling Duty Act 2012. For the purpose of the Act an operation is a lottery, irrespective of how it is described, if -</p> <ul style="list-style-type: none"> <li>(a) users are required to pay in order to participate in the operation;</li> <li>(b) in the course of the operation one or more prizes are allocated to any user; and</li> <li>(c) either - <ul style="list-style-type: none"> <li>(i) the prizes are allocated by a process which relies wholly on chance; or</li> <li>(ii) the prizes are allocated by a series of processes and the first of those processes relies wholly on chance.</li> </ul> </li> </ul> <p>A lottery may also be a process that requires persons to exercise skill or judgment or to display knowledge is nevertheless treated for the purposes of this section as relying wholly on chance if -</p> <ul style="list-style-type: none"> <li>(a) the requirement cannot reasonably be expected to prevent a significant proportion of persons who participate in the arrangement of which the process forms part from receiving a prize; and</li> <li>(b) the requirement cannot reasonably be expected to prevent a significant proportion of persons who wish to participate in that arrangement from doing so.</li> </ul>
Net stakes receipts	<p>The means of determining liability to duty by deducting winnings paid (or due to be paid out) from gambling receipts received during an accounting period.</p>

Networked operator	Where two or more persons are treated as a single operator for the purposes of accounting for duty, who have been approved for this purpose by the Treasury, and offered linked games to users.
On-course betting	Betting on the outcome of an event at the site of that event on the occasion when the event is to take place (e.g. bets on horse or dog racing placed at the race track).
On-course bets	<p>Bets taken -</p> <ul style="list-style-type: none"> <li>(a) at a licensed horse or dog race in the Island where both the person placing the bet and the bookmaker accepting it are present; or</li> <li>(b) from an Island bookmaker, who is not present at the event, but who makes hedged bets with a bookmaker who is present.</li> </ul>
On-course bookmaker	A person who carries on bookmaking at an authorised and licensed event in the Island.
Online gambling	<p>Has the same meaning given in section 1 of the Online Gambling Regulation Act 2001 -</p> <ul style="list-style-type: none"> <li>(a) any gaming, where any player enters or may enter the game, or takes or may take any step in the game, by means of a telecommunication;</li> <li>(b) the negotiating or receiving or any bet by means of a telecommunication; or</li> <li>(c) any lottery in which any participant acquires or may acquire a chance by means of a telecommunication.</li> </ul>
Operator	<p>The term used in the Gambling Duty Act 2012 -</p> <ul style="list-style-type: none"> <li>(a) in gaming or a lottery, for a person who takes part in its organisation, management or provision;</li> <li>(b) in betting, for someone who carries on any business involving the negotiating or receiving of bets;</li> <li>(c) a person who maintains, or permits to be maintained, a computer or other device on or by means of which a game or lottery is operated, or bets are received; or</li> <li>(d) for a betting intermediary.</li> </ul>

Pari-mutuel betting	(also known as "mutual betting") is a betting system in which all bets of a particular type are aggregated in a pool; any duty, commission or handling charges are deducted, and the payout is calculated by sharing the pool among all winning bets.
Pool betting	<p>Has the meaning given by section 2 of the Pool Betting (Isle of Man) Act 1961 -</p> <p>Wherever a number of persons make bets -</p> <p>(a) on terms that the winnings of such of those persons as are winners shall be, or be a share of, or be determined by reference to, the stake money paid or agreed to be paid by those persons, whether the bets are made by filling up and returning coupons or other printed or written forms, or otherwise howsoever; or</p> <p>(b) on terms that the winnings of such of those persons as are winners shall be, or shall include an amount (not determined by reference to the stake money paid or agreed to be paid by those persons) which is divisible in any proportions amongst such of those persons as are winners; or</p> <p>(c) on the basis that the winners or their winnings shall, to any extent, be at the discretion of the promoter or some other person,</p> <p>and any other bet shall be deemed to be made by way of pool betting unless it is a bet at fixed odds.</p> <p>Betting that would have been liable to Pool Betting Duty in the Island or in the UK is liable to Gambling Duty at the higher rate of 15%.</p> <p>However, sponsored pool betting is not regarded as pool betting for the purposes of the higher duty-rate, and some other forms of gambling that may, incidentally, involve a pot or pool (such as person-to-person poker) are not to be regarded as pool betting.</p>
Prize	In relation to a lottery, includes any money, articles or services whether or not described as a prize and whether or not consisting wholly or partly of money paid (or articles or services provided) to members of the class among whom the prize is allocated.
Punter	The customer of the operator; the person placing a bet, wager etc.
Representative operator	Where there is a group operator or networked operator, the operator in that group or network which has been designated as the one responsible for submitting returns and making payment of duty.

Retained profits	<p>The profit accruing to an operator in respect of a gambling operation from participants (punters and other parties) in some form of commission, entrance fee or other sum in consideration of being able to so participate.</p> <p>For networked operators, the retained profits would be -</p> <ul style="list-style-type: none"> <li>(a) the share of the profits from gambling in the Island on the network that is distributed to members of the network; and</li> <li>(b) any other sum paid in consideration of the operator being a networked operator or the holder of such a licence.</li> </ul>
Return	Return detailing liability to Gambling Duty (and any over- or under-payments or other adjustments).
Revenue trade provisions	The provisions of the customs and excise Acts relating to the protection, security, collection or management of the revenues derived from the duties of excise and contained in sections 121, 123 and 124A to 124G of the Customs and Excise Management Act 1986. They apply in relation to Gambling Duty subject to the modifications contained in the Gambling Duty Order 2013.
Sleepers	Bets made with a bookmaker for a race taking place in the future.
Sponsored pool betting	A form of pool betting that is subject to Gambling Duty at the usual rates of duty, and not the enhanced 15% rate. It uses totalisator facilities approved for the purpose by the Treasury or provided on a track by the person having management of that track.
Spread betting	<p>Spread betting involves betting on the outcome of a financial, sporting or other event based on the "spread" quoted by the operator. Customers can choose to "buy" at the top of the spread, or to "sell" at the bottom.</p> <p>Winnings and losses are calculated by reference to the unit stake times the difference between the final total and the buying or selling price.</p>
Totalisator	A system, mechanised or electronic, for pool betting whereby a punter buys a ticket in a pool. A percentage deduction is made for duty, expenses and profit; with the balance paid out in the form of a dividend between successful punters.
Track	A term covering premises which are used for races of any description, athletic sports or other sporting events. A track occupier would be a person that organises such a race or event.

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Treasury warrant

A form of warrant produced by Customs and Excise and signed by the Collector (or his deputy) that has the same status as a judgment of the High Court and which may be executed by a Coroner for the recovery of debts of gambling duty (and penalties and interest, plus any costs associated with the execution of the warrant). See sections 24 and 25 of the Gambling Duty Act 2012.

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*Reiltys Ellan Vannin*