

GREAT BRITAIN COUNTRY REPORT 2009

Size of the Industry

Numbers of machines

AGC	58464
FEC	67860
Pubs	67860
Clubs	16965
Bingo	17226
LBO	30276
Others	2349
Total	261000

Operating Licenses Granted (non remote)

Bingo	221
Betting	801
AGC	601
FEC	336
Gaming Machine Full Technical	55
Gaming Machine Technical Supplier	146
Gaming Machine Technical Software	55

Cost of various licenses is as per the Gambling Commission tables.

Cost of various licences

Operator Licence Application Fees (in pounds sterling)

Operating licence type	Operating licence annual fees in pounds sterling									
	Non-Remote					Remote				
	A	B	C	D	E	F	G	H	I	J
Casino: 2005 Act	£48825	101,77 1				1277 3	35885	69658	11082 0	14628 2
Casino: 1968 Act	16356	21752	69572	31031 6	41743 6					
Bingo	1571	7077	16860	37579	82002	1273 3	35885	69658	11082 0	14628 2
General betting: standard	1571	7077	16860	38705	22299 0	1273 3	35885	69658	11082 0	14628 2
General betting: limited	200	467	1267			1500				
Pool betting	2121	4083	4083			1500	35885	69658	11082 0	14628 2
Betting intermediary	267	4083	4083			1500	35885	69658	11082 0	14628 2
Betting intermediary: trading rooms						1500	6367	17942		
Gaming machine general: AGC	1564	6464	12928	27812	38705					

Gaming machine genera: FEC	1047	4683	9365	22352	37579					
Gaming machine technical: full	2961	6325	14883			6367	17942	34829		
Gaming machine technical: supplier	1201	3243	4083			6367	17942	34829		
Gaming machine technical: software	1535	3861	6188			6367	17942	34829		
Gambling software	1535	3861	6188			6367	17942	34829		
Lottery manager	1981	2261	2541			6367	17942	34829		
Society lottery	348	692	1392			348	692	1392		

New Legislation

The new UK Gambling Act 2005 came into force on 1 September 2007.

The introduction of the Gambling Act 2005 on 1 September 2007 has resulted in serious unintended economic and social consequences with the traditional business industry now in terminal decline with weekly increases in closures and redundancies.

Because the Gambling Act has reduced gaming machine stakes and overall machine numbers in traditional softer adult gaming venues (such as adult only areas in seaside arcades, bingo halls and adult gaming centres), customers have migrated to high stake gaming machines in other venues. Every week brings more business closures and redundancies, not just at the seaside but destroying suppliers to pubs and clubs and the manufacturing sector.

In response to BACTA's lobbying from the 9 June 2009 there will be an increase in Category C and D stakes and prizes as follows:

For Category C machines – the maximum stake and prize limits will increase to £1 and £70 respectively from 50 p stake £35 cash

For Category D 'crane grab' machines – the maximum stake and prize values will increase to £1 and £50 respectively from 30 p stake £8 non cash

For Category D mixed cash prize/non-cash prize machines – maximum stakes will remain unchanged, but the prize value of 'penny falls' or 'coin pushers' will increase to £15 (of which a maximum of £8 can be cash) from 10 p stake £5 cash

These increases will be of tremendous help in stemming the serious decline being experienced across the traditional amusement and pub sectors and will provide a major boost to gaming machine manufacturers and suppliers. If these softer forms of gambling are allowed to collapse, customers will continue to be pushed towards harder gambling activities.

The increase in stakes and prizes will encourage operators to invest in new equipment and thereby help to alleviate this downturn and ensure that there is a future for the traditional seaside amusement sector, which is a stalwart of the British tourism industry.

Taxation

Current Taxation Rates as at 22 April 2009

From 4pm on, 22 April 2009 all rates of amusement machine licence duty (AML) have increased and from 1 June 2009 some of the Gaming duty bands have increased in line with new stake and prize levels due to come into effect on 11 June 2009.

Categories of Machines

Category	Maximum stake	Maximum prize	Location(s)
A	Unlimited	Unlimited	Casinos
B1	£2	£4,000	Casinos, LBOs
B2	£100	£500	Casinos, LOBs
B3	£1	£500	Casinos, LBOs, Bingo Premises and AGCs
B3A	£1	£500	Members' Clubs or Miners Welfare Institutes only (non- commercial)
B4	£1	£250	Casinos, LBOs, Members' Clubs and Miners' Welfare Institutes, Bingo Premises, AGCs
C	£1	£70	All premises licensed for over 18's including Licensed FECs and Alcohol Licensed Premises
D	10p 10p (£1 when non- cash prizes in cranes)	£5 (cash) £15 combined monetary and non-monetary of which no more than £8 can be cash. £50 non-cash	All licensed and unlicensed premises including travelling fairs.

Current AMLD rates

Months	Category A	Category B1	Category B2	Category B3	Category B4	Category C
1	500	255	200	200	180	80
2	985	490	385	385	350	145
3	1475	735	585	585	530	220
4	1965	985	775	775	705	290
5	2465	1230	970	970	875	365
6	2955	1475	1160	1160	1050	435
7	3445	1720	1355	1355	1225	505
8	3935	1965	1550	1550	1405	580
9	4430	2215	1745	1745	1580	665
10	4920	2465	1935	1935	1755	725
11	5410	2710	2130	2130	1930	795
12	5625	2815	2215	2215	2010	830

Gross Profit Tax

In the 2009 budget, the Government announced that it would consult on moving the taxation of gaming machines onto a gross profits tax basis.

BACTA is opposed to the introduction of a Gross Profit Tax (GPT) to replace the current Amusement Machine Licence Duty (AML) and VAT systems. It believes that HM Treasury should abandon any plan to consult formally on these proposals, and should instead focus on working with industry to improve the existing AML system to deliver efficiencies for Government and business.

GPT would place additional administrative burdens on an industry where operators tend to renew all their AML in one transaction. Separating machine takings into gaming and non-gaming profits will prove a major inconvenience.

It would also be difficult, if not impossible, to introduce a single rate without significantly penalising some operators or sectors

Introducing more than one rate brings more administrative and operating complications, leading to the conclusion that **GPT is an unviable means of taxation.**