

**Gambling Duty Bill 2012**  
**Second Reading approved**

3.1. Mr Henderson to move:

*That the Gambling Duty Bill 2012 be read a second time.*

**The Deputy Speaker:** We move on to Item 3 on our Paper, Bill for Second Reading, the Gambling Duty Bill 2012.

I call on Mr Henderson.

**Mr Henderson:** Gura mie eu, Lhiass-loayreyder.

This Bill is being introduced by the Treasury with the intention of consolidating and updating the law relating to the excise duties on gambling to simplify administration, improve flexibility and to enable the law to better cope with anticipated development affecting an industry that has been a continuing success for the Island.

A single gambling duty will replace the general betting duty which is paid by local bookmakers, online gambling duty and pool betting duty, which would be paid by pools promoters, of which there are currently none in the Island. It will not replace the lottery duty charged on sales of National Lottery games, nor will it affect gaming machines, which are subject to licence fees levied by the Gambling Supervision Commission, land-based casinos or bingo.

Since the advent of online gambling and the passing of the Online Gambling Regulation Act 2001, the gambling sector in the Island has developed considerably. Experience has shown that the present legislative structure governing gambling revenues is both unwieldy to use and difficult to adapt to constantly changing regimes. Not only was there insufficient flexibility in being able to adapt the 2001 Act to fit developments, evolving technologies and industry trends, but the interaction or possible interaction with other gambling revenue law has caused problems. For example, was online gambling that involved a pool of some sort then automatically pool betting, liable to a much higher duty rate and revenue shared with the UK, or was it primarily online gambling? Did someone engaged in such betting have to apply for both a licence and a permit from different offices, or just a licence? Did they have to comply with additional requirements attached to pool betting, such as funding an independent auditor to verify receipts and returns to customers?

One has to remember that much of the Island's gambling legislation still dates back to the 1960s and 1970s. Difficulties encountered have been addressed partially by legislative changes and partly by administrative decisions involving commonsense interpretations of the law in the light of how the industry now operates. The Bill would replace a number of existing Acts and parts of other Acts. The replacement provisions are designed to be clearer and to be more easily adapted or added to, as and when required. It ensures the administration has the legal *vires* to govern existing and new gambling products.

The Bill also incorporates provisions to allow the exchange of information with authorities in other jurisdictions and for double duty relief. Both of these are permissive in nature, allowing for the Treasury to bring forward the necessary secondary legislation as and when required. The provisions allowing the exchange of information are, in part, designed to facilitate bilateral or multilateral agreements to allow access, or continued access, to markets for Island operators and to ensure transparency, and that control of the sector will comply with any requirements of international and supranational bodies such as the IMF and the EU.

The facility to allow relief from duty when an operator has borne foreign duty on the same transactions is also considered to be important as, increasingly, territories are looking to regulate their own markets. Being able to allow offset of foreign duties could prove vital in securing the continued success and viability of the industry in the Island. The ability to exchange information will also be vital in combating crime that could affect online gambling in particular, and to underpin the credibility and reputation of the Island's industry and the Isle of Man itself.

The Bill is not designed as a revenue raising measure. Duty rates incorporated in the Bill are those currently applied. Whilst flexibility is the key to the Bill, the Treasury will be able to make changes to definitions, exemptions, etc by regulations. Any change of duty rates require prior approval by Tynwald before taking effect. The contents of this Bill have been widely consulted upon in the Island. Indeed, two separate public consultations on such a Bill have taken place in the last four years, the last being on March... [*Inaudible*] 2011 last year.

The industry is broadly in favour of its introduction. Hon. Members have also been circulated with detailed notes on the subject. Treasury considers the Bill to be an important support for the continued success of an already successful industry, and I commend the Bill to this House, Lhiass-loayreyder.

I beg to move.

**The Deputy Speaker:** Hon. Member for Ayre, Mr Teare.

**Mr Teare:** Thank you, Mr Deputy Speaker.  
I beg to second and reserve my remarks.

**The Deputy Speaker:** Hon. Member for Rushen, Mr Watterson.

**Mr Watterson:** I do not intend to speak at length. I obviously support the Bill. I just wanted to place on record my thanks to the officers of Customs and Excise, in particular Ray Todd, who have helped me through a lot of the issues raised by this Bill and have given me more than satisfactory answers. So I thank them for the time and effort they have put in early on to help me with this.

Thank you.

**The Deputy Speaker:** Hon. Members, the question is the Bill be read a second time.  
All those in favour, please say aye; those against, no. The ayes have it. Division called.

*A division was called for and electronic voting resulted as follows:*

**FOR**

Mr Quirk  
Mr Hall  
Mr Karran  
Mr Ronan  
Mr Crookall  
Mr Bell  
Mr Singer  
Mr Quayle  
Mr Teare  
Mr Cannan  
Mr Cregeen  
Mr Houghton  
Mr Henderson  
Mrs Beecroft  
Mr Robertshaw  
Mr Shimmin  
Mr Cretney  
Mr Watterson  
Mr Skelly  
Mr Gawne  
The Deputy Speaker

**AGAINST**

Mr Anderson  
Mrs Cannell

**The Deputy Speaker:** Hon. Members who voted for – 21; those against, 2. The Second Reading then carries.