

Gambling Duty Bill 2012

Clauses considered

4.1. Mr Henderson to move.

The Speaker: We turn to Item 4, Bill for Consideration of Clauses, and we are dealing with the Gambling Duty Bill 2012.

I call on Mr Henderson to move clause 1, please.

Mr Henderson: Gura mie eu, Vainstyr Loayreyder.

Clause 1 contains the short title of the Bill.

I beg to move, sir.

Mr Watterson: I beg to second and reserve my remarks.

The Speaker: I put the motion that clause 1 do stand part of the Bill. Those in favour, say aye; against, no. The ayes have it. The ayes have it.

Clause 2.

Mr Henderson: Gura mie eu, Vainstyr Loayreyder.

Clause 2 deals with the commencement of the Bill and the elements of the Bill that shall come into operation upon Royal Assent. Its various provisions are to be brought into operation by Order or Orders and different provisions may be brought into operation at different times. The Order or Orders can also contain any necessary savings or transitional measures.

I beg to move, sir.

Mr Watterson: I beg to second and reserve my remarks, sir.

The Speaker: I put the motion that clause 2 do stand part of the Bill. Those in favour, say aye; against, no. The ayes have it. The ayes have it.

Clause 3, please.

Mr Henderson: Gura mie eu, Vainstyr Loayreyder.

This clause contains definitions of various terms and words used throughout the Bill, including 'betting', 'betting intermediary', 'bookmaker', 'on-course betting', 'on-line gambling', 'pool betting', 'spread bet' and 'user'.

I beg to move, sir.

Mr Watterson: I beg to second and reserve my remarks.

The Speaker: I put the motion that clause 3 do stand part of the Bill. Those in favour, say aye; against, no. The ayes have it. The ayes have it.

Clause 4, sir.

Mr Henderson: Gura mie eu, Vainstyr Loayreyder.

This clause provides that the term 'gambling' includes gaming, betting, participating in a lottery and on-line gambling where the operator, as defined in clause 6, is acting in the course of business and regardless of whether or not licensed in the Island.

However, participating in a lottery forming part of the National Lottery and playing a game of chance or skill on a controlled machine... In the papers issued to Members, we cite here the Gaming, Betting and Lotteries Act 1998 as part of the definition. I wish to draw to the House's attention that this is an incorrect citation and hopefully, in a moment, my hon. colleague, Mr Houghton, will move the tabled amendment to rectify that particular citation to ensure that this clause is absolutely correct and refers to the Gaming (Amendment) Act 1984. Gaming machines in the Island, such as fruit machines etc, are not currently subject to any excise duty.

I beg to move, sir.

The Speaker: Mr Teare.

Mr Teare: Thank you, Mr Speaker.

I beg to second and reserve my remarks, sir.

The Speaker: Mr Houghton.

Mr Houghton: Thank you, Mr Speaker.

I beg to move an amendment. It is a simple amendment, Mr Speaker, in this particular clause, dealing with subsection (2)(b): for 'Gaming, Betting and Lotteries Act 1988' to substitute 'Gaming (Amendment) Act 1984'.

This correction provides for the correct location of the definition of a controlled machine – that is to say, a gaming machine licensed by the Gambling Supervision Commission. Playing on a controlled machine is not to be considered as gambling liable to gain gambling duty under the Bill, Mr Speaker.

Mr Speaker, I beg to move:

Amendment to clause 4

Page 8, lines 5 and 6, for 'Gaming, Betting and Lotteries Act 1988' substitute 'Gaming (Amendment) Act 1984'.

The Speaker: Mr Cregeen.

Mr Cregeen: I beg to second.

The Speaker: Mr Quirk.

Mr Quirk: Mr Speaker, not on the amendment really, I suppose on the original proposal, just reference to: could the Member, or could he pass in the future, how these machines are actually regulated? What sort of powers does the Department have? Can it come in? Does it have to have notification? Can somebody walk in with a warrant and check to see those people who are on the machines are over the age?

The Speaker: Mr Henderson to reply.

Mr Henderson: Gura mie eu, Vainstyr Loayreyder.

Yes, the use of these type of machines do come under forms of regulation and certainly I will make some enquiries for the Hon. Member and circulate him and other Hon. Members with that information.

The Speaker: I put the amendment to clause 4 first. Those in favour of the amendment, please say aye; against, no. The ayes have it. The ayes have it.

Clause 4 as amended: those in favour, please say aye; against, no. The ayes have it. The ayes have it.

Clause 5.

Mr Henderson: Gura mie eu, Vainstyr Loayreyder.

Clause 5 defines the meaning of 'a lottery' and deals with situations that involve skill or judgement or a degree of knowledge, but which are still to be regarded as games of chance and liable to duty.

I beg to move, sir.

The Speaker: Mr Teare to second.

Mr Teare: I beg to second and reserve my remarks, sir.

The Speaker: I put the motion that clause 5 do stand part of the Bill. Those in favour, please say aye; against, no. The ayes have it. The ayes have it.

Clause 6.

Mr Henderson: Gura mie eu, Vainstyr Loayreyder.

Clause 6 defines the meaning of 'operator' and certainly, someone involved in the organisation, management or provision of gaming or a lottery, carrying on the business or negotiating or receiving bets, maintains on the Island a computer or other device by which means a game or lottery takes place, being a betting intermediary. The term includes someone who is a group operator or a representative operator within the meaning of clause 13. However, a person who merely provides communication services and software is not an operator. Furthermore, a person involved in handling payments such as PayPal or Neteller, and with no involvement in the gambling transactions themselves, would not be considered to be an intermediary and would have no liability to duty.

I beg to move.

The Speaker: Mr Teare.

Mr Teare: I beg to second and reserve my remarks.

The Speaker: I put the motion that clause 6 stand part of the Bill. Those in favour, say aye; against, no. The ayes have it. The ayes have it.

Clause 7.

Mr Henderson: Gura mie eu, Vainstyr Loayreyder.

This provides that the Treasury can add to, delete or amend any of the definitions contained in part 1.

I beg to move, sir.

The Speaker: Mr Teare.

Mr Teare: Thank you, Mr Speaker.

I beg to second and to reserve my remarks, sir.

The Speaker: I put the motion that clause 7 stand part of the Bill. Those in favour, say aye; against, no. The ayes have it. The ayes have it.

Clause 8.

Mr Henderson: Gura mie eu, Vainstyr Loayreyder.

This clause defines the duty as duty of excise and who has to pay it and when, through subsections (1) to (3).

Subsection (4) provides examples of when this would apply.

The duty rates are prescribed in subsection (5).

The clause allows a specific exemption from duty where a bet is made for community benefit. In calculating liability to gambling duty, the essential starting point for the Treasury would be, as it is now, that duty should be accounted for on the true profit made by an operator and their gambling activities.

I beg to move, sir.

The Speaker: Mr Teare.

Mr Teare: Thank you, Mr Speaker.

I beg to second and to reserve my remarks, sir.

The Speaker: I put the motion that clause 8 stand part of the Bill. Those in favour, say aye; against, no. The ayes have it. The ayes have it.

Clause 9.

Mr Henderson: Gura mie eu, Vainstyr Loayreyder.

This defines the profit or 'gambling yield' which forms the basis of an operator's liability to duty. The two basic methods of establishing liability are 'net stake receipts' and 'retained profit'.

The 'net stake receipts' is the traditional method of calculating the duty due from bookmakers, i.e. stakes, less winnings; whereas the 'retained profits' basis has been developed chiefly to deal with other types of online gambling, such as person-to-person poker and pari-mutuel betting.

The Treasury may, by Order, amend or add to the methods above should this be necessary. Where an operator is involved in a type of gambling where the liability may vary, the Treasury will be able to determine the predominant type of gambling involved and specify the basis method that has to be used to calculate duty liability.

I beg to move, sir.

The Speaker: Mr Teare.

Mr Teare: Thank you, Mr Speaker.

I beg to second and reserve my remarks, sir.

The Speaker: Hon. Member, Mr Quirk.

Mr Quirk: Thank you, Mr Speaker.

Can I ask the Member regarding, sometimes it is called the pot, or the fund, or the stake, is the part of the regulations which the companies are registered in the Isle of Man that the financial amounts which are to be yielded to the winners are retained here and do the officers then have the power to inspect to make sure that those funds are retained on the Island?

The Speaker: Mr Henderson to reply.

Mr Henderson: Gura mie eu, Vainstyr Loayreyder.

The Hon. Member asks a very technical question, which is ostensibly outwith what this clause is dealing with. We are dealing with the methods of liability. Having said that, I can certainly put an enquiry to my officers who have constructed the Bill and certainly we could supply the Hon. Member and other Hon. Members with additional information that the Hon. Member is seeking.

Mr Quirk: Thank you.

The Speaker: I put the motion that clause 9 stand part of the Bill. Those in favour, say aye; against, no, The ayes have it. The ayes have it.

Clause 10, Mr Henderson.

Mr Henderson: Gura mie eu, Vainstyr Loayreyder.

This clause is used to determine how to arrive at the amounts used in the 'net stake receipts' method of calculating duty liability. This is the default method for determining duty liability. Typically it is used by bookmakers where straightforward calculation offsets the payment to punters against the stakes placed by them. Any VAT or free bets are disregarded when calculating duty liability.

Subsection (1) sets out what are to be regarded as gambling receipts.

Subsection (2) provides that any VAT included in payment to the operator should be ignored for duty calculation purposes.

Subsection (3) deals with situations where an operator offers punters the opportunity to place free bets or discounted bets.

I beg to move, sir.

The Speaker: Mr Teare.

Mr Teare: I beg to second and reserve my remarks, sir.

The Speaker: I put the motion that clause 10 do stand part of the Bill. Those in favour, say aye; against, no. The ayes have it. The ayes have it.

Clause 11.

Mr Henderson: Gura mie eu, Vainstyr Loayreyder.

This clause is used to determine the value of winnings used in calculating an operator's liability to duty using the 'net stakes receipt' method. It includes provision where more than one operator are involved in linked games offering a single prize or prizes, and provides for the value of winnings in other than sterling money – i.e. in the form of prizes or in a foreign currency – to be determined in accordance with regulations.

Subsection (1) sets out the basic position.

Subsection (2) provides that winnings are regarded as having been paid out when placed into a customer's account.

Subsection (3) deals with situations where a prize given to a customer by one operator is provided by another operator through him.

Subsection (4) where a network of operators exists and they contribute to a fund wholly used to provide prizes to players of net worth gains.

Subsection (5) provides that crediting a player's account shall be regarded as providing a prize and so will be included in an operator's duty calculation.

Subsection (6) allows that the value of any winnings awarded in other than sterling should be calculated in accordance with regulations made by Treasury.

Subsection (7) defines the term 'facilities' as used in the clause.

I beg to move, sir.

The Speaker: Mr Teare.

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

The Speaker: The motion is that clause 11 stand part of the Bill: those in favour, say aye; against, no. The ayes have it. The ayes have it.
Clause 12.

Mr Henderson: Gura mie eu, Vainstyr Loayreyder.

This is concerned with the payment of the duty. The default position is that duty is to be paid by the operator. However, the Treasury can recover the duty from a person responsible for management of the gambling business – a director, where the operator is a company, for instance – or such other person as may be specified in an Order made by the Treasury. This allows flexibility in cases involving evasion or avoidance, or other cases involving serious irregularities.

Clause 13 below also, which we will come to, allows for grouping of operators for reasons of common ownership or use of networks.

Subsection (1) states that gambling duty has to be paid by the operator.

Subsection (2) deals with situations where gambling is not capable of being recovered by the operator concerned.

I beg to move, sir.

The Speaker: Mr Teare.

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

The Speaker: I put the motion that clause 12 stand part of the Bill. Those in favour, say aye; against, no. The ayes have it. The ayes have it.
Clause 13, please.

Mr Henderson: Gura mie eu, Vainstyr Loayreyder.

Clause 13 allows for two or more operators to be treated as a single operator for the purposes of accounting for gambling duty. The circumstances where such grouping may be permitted are where one operator controls the other or others; or one person controls both or all of them; or where two or more operators are linked in a network under arrangements permitted by the Gambling Supervision Commission.

Regulations would deal with how applications for grouping are to be made, how any approval may be granted or withdrawn, and by conditions that may be applied to such approval.

Subsections (5) and (6) deal with from whom duty would be recovered. The default position would be that duty would be accounted for by the designated representative of the group. However, as we saw in clause 12, fallback positions are provided to cater for situations involving evasion, avoidance or other serious difficulties.

I beg to move, sir.

The Speaker: Mr Teare.

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

The Speaker: I put the motion that clause 13 stand part of the Bill. Those in favour, say aye; against, no. The ayes have it. The ayes have it.
Clause 14, please.

Mr Henderson: Gura mie eu, Vainstyr Loayreyder.

This clause provides that the default accounting period shall be a calendar month, but that the Collector of Customs and Excise may authorise different periods.

The clause also provides for regulations to allow adjustments at the end of any 12-month period where the duty liability is based on turnover, and this may be necessary because the level of profits accrued may affect the duty-rate or threshold that should be applied.

If any operator ceases business for more than 28 days, they must pay any duty due within the following 28 days.

I beg to move, sir.

The Speaker: Mr Teare.

Mr Teare: I beg to second and reserve my remarks, sir.

The Speaker: I put the motion that clause 14 stand part of the Bill. Those in favour, say aye; against, no. The ayes have it. The ayes have it.
Clause 15.

Mr Henderson: Gura mie eu, Vainstyr Loayreyder.

This clause deals with the submission of duty returns and, *inter alia*, allows for the making of regulations detailing the form and content of the return. It also permits the Treasury to designate which member of a grouping is responsible for submission of the composite return.

I beg to move, sir.

The Speaker: Mr Teare.

Mr Teare: Thank you, Mr Speaker.

I beg to second and reserve my remarks, sir.

The Speaker: I put the motion that clause 15 stand part of the Bill. Those in favour, say aye; against, no. The ayes have it. The ayes have it.
Clause 16.

Mr Henderson: Gura mie eu, Vainstyr Loayreyder.

This permits operators whose gambling yield in any accounting period is a negative figure to carry forward that amount to offset it against a liability in the following period. If the offset produces a negative figure for that following period, then that figure may be itself carried forward. However, there is no entitlement to refunds of any negative amount.

I beg to move.

The Speaker: Mr Teare.

Mr Teare: I beg to second and reserve my remarks, sir.

The Speaker: I put the motion that clause 16 stand part of the Bill. Those in favour, say aye; against, no. The ayes have it. The ayes have it.
Clause 17.

Mr Henderson: Gura mie eu, Vainstyr Loayreyder.

Clause 17 allows the Treasury to make provision by Order to allow offset of liability to gambling duties where an operator has paid an equivalent tax or duty on the same transactions in another jurisdiction. If the operator subsequently received a refund of the foreign tax or duty, subsection (3) allows for the Treasury to recover any unpaid gambling duty.

The arrangements would only apply to countries and territories specified by Order, and other conditions and requirements may be prescribed by Order. These can include the charging of an application fee and setting a minimum or maximum amount of relief available. Any Order would not have retrospective effect and would only apply to duty payments due to the Treasury on or after a date specified in the Order. This is a new provision and is considered necessary to allow for flexibility in response to developments that may take place in markets targeted by Island-based operators.

I beg to move.

The Speaker: Mr Teare.

Mr Teare: I beg to second and reserve my remarks, sir.

The Speaker: I put the motion that clause 17 stand part of the Bill. Those in favour, say aye; against, no. The ayes have it. The ayes have it.
Clause 18.

Mr Henderson: Gura mie eu, Vainstyr Loayreyder.

This clause is concerned with the making of regulations by the Treasury to prescribe how operators should submit returns and how they should make payment of any duty due. This includes the conditions that may be applied when returns are submitted or payments made by electronic means.

I beg to move.

The Speaker: Mr Teare.

Mr Teare: I beg to second and reserve my remarks, sir.

The Speaker: I put the motion that clause 18 stand part of the Bill. Those in favour, say aye; against, no. The ayes have it. The ayes have it.

Clause 19.

Mr Henderson: Gura mie eu, Vainstyr Loayreyder.

This clause allows for application of the 'revenue trade provisions' of the Customs and Excise Management Act 1986 (i.e. sections 121, 123 and 124A to 124G) to operators with such modification as may be employed and included in an Order made by the Treasury.

I beg to move.

The Speaker: Mr Teare.

Mr Teare: I beg to second and reserve my remarks, sir.

The Speaker: I put the motion that clause 19 stand part of the Bill. Those in favour, say aye; against, no. The ayes have it. The ayes have it.

Clause 20 please.

Mr Henderson: Gura mie eu, Vainstyr Loayreyder.

This clause provides for the making of an Order detailing how overpaid duty may be recovered from an operator. It includes provision for evidence in support of the claim to be provided, and sets a four-year time limit for seeking such repayments.

The clause also provides that Treasury need not repay any overpaid amount if this would unjustly enrich the claimant, i.e. where the repayment would benefit someone who had not, in fact, borne the original charge – perhaps where an operator had passed on the charge to a customer, but was then unwilling or unable to compensate them.

I beg to move, sir.

The Speaker: Mr Teare.

Mr Teare: I beg to second and reserve my remarks, sir.

The Speaker: I put the motion that clause 20 stand part of the Bill. Those in favour, say aye; against, no. The ayes have it. The ayes have it.

Clause 21.

Mr Henderson: Gura mie eu, Vainstyr Loayreyder.

Clause 21 covers the general administration and enforcement and this clause provides for the making of regulations that would govern the general administration of gambling duty, and for the enforcement of the rules and legislation necessary to ensure proper administration and to protect the revenue.

Regulations may be made without prejudice to those made under clauses.

The matters that may be the subject of regulations under this clause include: the keeping and preservation of records and their inspection by, or production to, Treasury; permitting officers to enter premises used, or suspected of being used, for the purposes of gambling – to inspect those premises and to inspect, remove and copy any records found there which relate to, or appear to relate to gambling operations on the premises; and requiring persons carrying on, or suspected of carrying on, a gambling operation to produce specified records or other information.

I beg to move, sir.

The Speaker: Mr Teare.

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

The Speaker: Mr Quirk, Hon. Member.

Mr Quirk: Thank you, Mr Henderson.
Can I just ask, really, when you mention... does that also include data, electronic data, I presume?

The Speaker: Reply, sir.

Mr Henderson: Gura mie eu, Vainstyr Loayreyder.

Yes, it is a fair point that the Hon. Member raises and I suspect it does include electronic data, but I need to... because the catch-all phrases used within the Act I suspect would deal with that. But again, I will seek clarification for the Hon. Member and circulate the answer to his question.

The Speaker: Yes, if you could advise the House at the next sitting before the Third Reading, that would be very helpful.

Mr Henderson: Yes. Okay, sir.

The Speaker: I put the motion that clause 21 stand part of the Bill. Those in favour, please say aye; against, no. The ayes have it. The ayes have it.
Clause 22.

Mr Henderson: Gura mie eu, Vainstyr Loayreyder.

Clause 22 allows the Treasury to impose conditions on the remission or repayment of duty, or to ensure the payment of duty. Such conditions include the production of evidence, and the giving of security or further security. Regulations made under clause 18 would deal with actual procedural arrangements.

This clause is based on paragraph 4 of schedule 12 to the Value Added Tax Act 1996. The conditions are all concerned with the protection of the revenue and subsections (2) and (3) make protection of the revenue a specific prerequisite for use of the powers therein.

I beg to move, sir.

The Speaker: Mr Teare.

Mr Teare: I beg to second and reserve my remarks, sir.

The Speaker: I put the motion that clause 22 stand part of the Bill. Those in favour, say aye; against, no. The ayes have it. The ayes have it.
Clause 23.

Mr Henderson: Gura mie eu, Vainstyr Loayreyder.

Where gambling duty is due, this clause provides that it is recoverable as a civil debt by means of distress or through the courts. This puts a debt of gambling duty on the same basis as the other indirect taxes and duties administered by Customs and Excise. The normal route for pursuit of debts of VAT is by way of Treasury warrants, which will also be available for debts of gambling duty. It may, as an alternative, consider distraint and/or take other such legal proceedings as it thinks fit to pursue the debt, liquidate the company and so on. Regulations would provide details and allow for transitional, incidental or consequential arrangements and can replace any existing regulations and repeal the provisions in another Act that allowed them to be made.

I beg to move.

The Speaker: Mr Teare.

Mr Teare: I beg to second and reserve my remarks, sir.

The Speaker: I put the motion that clause 23 stand part of the Bill. Those in favour, say aye; against, no. The ayes have it. The ayes have it.
Clause 24.

Mr Henderson: Gura mie eu, Vainstyr Loayreyder.

This clause, which is based upon provisions found in paragraph 6 of schedule 12 to the Value Added Tax Act 1996, allows for the enforcement of a debt of gambling duty by means of a Treasury warrant, which has the same status as a debt judgment of the High Court.

Treasury warrants have been used for many years as a cost-effective debt recovery mechanism, being available for VAT and income tax debts. Enforcement is by means of the Coroners, and the system is overseen by the Chief Registrar.

I beg to move, sir.

The Speaker: Mr Teare.

Mr Teare: I beg to second and to reserve my remarks, sir.

The Speaker: I put the motion that clause 24 do stand part of the Bill. Those in favour, say aye; against, no. The ayes have it. The ayes have it.

Clause 25.

Mr Henderson: Gura mie eu, Vainstyr Loayreyder.

Clause 25 is based upon provisions found in schedule 12 to the Value Added Tax Act 1996 and is concerned with how Treasury warrants for debts of gambling duty may be set aside if the debt has already been paid, or there has been some error on the face of the warrant or in the manner in which it was served. Applications to set aside a warrant would be made to the Chief Registrar.

I beg to move, sir.

The Speaker: Mr Teare.

Mr Teare: I beg to second and to reserve my remarks, sir.

The Speaker: I put the motion that clause 25 do stand part of the Bill. Those in favour, say aye; against, no. The ayes have it. The ayes have it.

Clause 26.

Mr Henderson: Gura mie eu, Vainstyr Loayreyder.

This clause ensures that where officers are acting to enforce the Act they will, in doing so, not be guilty of an offence relating to gambling. This would protect officers, particularly if undertaking covert investigations – for example, placing bets with an unlicensed operator, or holding themselves out as an operator in a ‘sting’ operation against suspected illegal operators.

I beg to move, sir.

The Speaker: Mr Teare.

Mr Teare: I beg to second and reserve my remarks, sir.

The Speaker: I put the motion that clause 26 stand part of the Bill. Those in favour, say aye; against, no. The ayes have it. The ayes have it.

Clause 27.

Mr Henderson: Gura mie eu, Vainstyr Loayreyder.

Clause 27 is intended to permit Customs and Excise to co-operate and exchange information with other relevant regulatory and enforcement agencies in the Island, and the Police. The Treasury may by Order add to this list included in the clause, which consists of the Gambling Supervision Commission; the Financial Supervision Commission; the Department of Economic Development; the Isle of Man Office of Fair Trading; and the Isle of Man Constabulary.

Subsection (2) permits any of the above or anybody added to the list by Order to disclose information received by it to the Treasury for the purposes of assisting the performance of duties under the provisions contained in this Bill.

However, any information provided to Treasury must not be passed on to a third party, unless it would otherwise have been permitted by the clause, or is for the purposes of any proceedings connected to any gambling enactment.

This clause is recognition that effective, proper administration and control of gambling, and the prevention, detection and investigation of irregularities connected to it, as well as adequate protection of the revenue, relies

on the co-operation between all the agencies that may be involved.
I beg to move.

The Speaker: Mr Teare.

Mr Teare: I beg to second and reserve my comments, sir.

The Speaker: I put the motion that clause 27 stand part of the Bill. Those in favour, say aye; against, no. The ayes have it. The ayes have it.
Clause 28.

Mr Henderson: Gura mie eu, Vainstyr Loayreyder.

This clause allows Treasury to make an Order allowing the exchange of information with a specified body or person outside the Island. The information involved would have to have been obtained under this Bill, or be capable of being used in its enforcement, and would have to relate to the prevention or investigation of crime.

Subsection (2) requires the Treasury to produce a code of practice governing such exchanges.

I beg to move, sir.

The Speaker: Mr Teare.

Mr Teare: I beg to second and reserve my remarks, sir.

The Speaker: I put the motion that clause 28 stand part of the Bill. Those in favour, say aye; against, no. The ayes have it. The ayes have it.
Clause 29.

Mr Henderson: Gura mie eu, Vainstyr Loayreyder.

This clause would allow the Treasury to make an Order giving effect to an international tax agreement, insofar as that agreement related to gambling duty and its foreign equivalents.

Arrangements that could be involved include the exchange of information, recovery of revenue debts, and the service of documents.

Subsection (4) requires that the standards of confidentiality applying in respect of any information in the other territory must be at least as strict as those in force in the Island before any disclosure to that territory may take place.

Facilitating such co-operation can only assist the Island in meeting the international standards set by bodies such as the Financial Action Task Force. The FATF issued its revised recommendations on 16th February and these highlighted the need for more effective exchanges of information for investigative, supervisory and prosecutorial purposes.

I beg to move, sir.

The Speaker: Mr Teare.

Mr Teare: I beg to second and to reserve my remarks, sir.

The Speaker: The motion is that clause 29 stand part of the Bill. Those in favour, say aye; against, no. The ayes have it. The ayes have it.
Clause 30, please.

Mr Henderson: Gura mie eu, Vainstyr Loayreyder.

This clause is concerned with creating offences under the Bill and specifying the penalties for such offences. The offences themselves are similar in nature to those found in other revenue law concerned with gambling, including: making false statements or providing false information; obstruction of an officer in the exercise of their functions; carrying on unlicensed gambling and not accounting for any duty due; and advertising or promoting the taking of bets etc. for operators located outside the Island and hence on which no duty would be due, unless the operator concerned was licensed or exempt from such licensing in the UK or other EEA states.

However, as with gathering revenue, with existing gambling revenue law, it will not be an offence for an individual to place a bet, etc with an off-Island operator.

I beg to move, sir.

The Speaker: Mr Teare.

Mr Teare: I beg to second and reserve my remarks, sir.

The Speaker: Hon. Member, Mr Anderson.

Mr Anderson: Thank you, Mr Speaker.

The hon. mover has indicated he is going to come back at Third Reading with further information. I wonder if he could give some indication – as a Government, we are now going down encouraging this industry quite heavily for support for those who are caught up with addiction in gambling, as I know what a devastating effect it can have on individuals and families – where that support is from Government and whether these companies actually contribute towards that support.

I do not expect the hon. mover to have that information now, but if he could come back when we are having the Third Reading with some information and how much of that information is in the public domain, please.

The Speaker: Reply, sir.

Mr Henderson: Gura mie eu, Vainstyr Loayreyder.

The Hon. Member asks questions which are outwith the remit of what the Bill is attempting to achieve. We are looking here at specifically offences and penalties. However, as the Hon. Member knows from being in the Council of Ministers, there are agencies and support mechanisms in the community and operated by the Government itself and third sector organisations which do assist individuals who may suffer from gambling debts, addiction, and certainly the likes of the Office of Fair Trading does assist individuals with debt counselling and so on.

However, to be helpful, I will certainly find out the full facts of what help is available and will circulate it to all Members with the other information prior to the next stage of the Bill.

I would, however, like to say that the Bill does put in place strict regulations and scrutiny to the industry, which does add an element of safety to individuals wishing to partake in this kind of activity.

I beg to move.

The Speaker: Again, the specific request was for the House to be advised at Third Reading stage, so it can be in the public record.

Mr Henderson: Yes, sir.

The Speaker: Thank you.

In that case, I put clause 30. Those in favour, say aye; against, no. The ayes have it. The ayes have it. Clause 31.

Mr Henderson: Gura mie eu, Vainstyr Loayreyder.

Clause 31 is concerned with situations where an offence is involved and provides that someone cannot face criminal proceedings if they have had imposed upon them a civil penalty for the breach giving rise to the alleged offence and criminal proceedings cannot be commenced except by the Treasury, by the Attorney General or with the consent of the Attorney General.

I beg to move, sir.

The Speaker: Mr Teare.

Mr Teare: I beg to second and to reserve my remarks, sir.

The Speaker: I put the motion that clause 31 stand part of the Bill. Those in favour, say aye; against, no. The ayes have it. The ayes have it.

Clause 32, please.

Mr Henderson: Gura mie eu, Vainstyr Loayreyder.

This clause applies if an offence has been committed and it can be shown that an officer of the body corporate concerned was involved in some way in committing the offence. If this is the case then that officer, as well as the body corporate, is liable for any penalty.

This is essentially the same as existing provisions in section 14 of the Pool Betting (Isle of Man) Act 1961 and paragraph 6 of the third schedule to the Betting Act 1970.

I beg to move, sir.

The Speaker: Mr Teare.

Mr Teare: I beg to second and to reserve my remarks, sir.

The Speaker: I put the motion that clause 32 stand part of the Bill. Those in favour, say aye; against, no. The ayes have it. The ayes have it.
Clause 33, please.

Mr Henderson: Gura mie eu, Vainstyr Loayreyder.

This clause allows for the imposition of civil penalties under section 9 of the Finance Act 1994, an Act of the UK Parliament, as applied in the Island, for certain contraventions of the Bill: failure to provide Treasury with the requisite seven days' notice of an intention to commence operations that give rise to a duty liability; failure to declare liability to duty; providing false information to reduce duty liability; or contravention of any provision contained in regulations made under this Bill.

As outlined in relation to clause 32, a person cannot be liable to both a civil penalty and criminal penalty for the same breach.

I beg to move, sir.

The Speaker: Mr Teare.

Mr Teare: I beg to second and to reserve my remarks, sir.

The Speaker: I put the motion that clause 33 stand part of the Bill. Those in favour, say aye; against, no. The ayes have it. The ayes have it.
Clause 34.

Mr Henderson: Gura mie eu, Vainstyr Loayreyder.

This deals with the procedure for making of Orders and Regulations.

Regulations, except for those made under clause 8(8), and hence being concerned with changes to duty rates and duty-rate thresholds, must be laid before Tynwald as soon as practicable after they are made.

Regulations made under clause 8(8) would require formal approval by Tynwald before they can come into operation. With the exception of commencement Orders bringing into operation various provisions of the Bill, Orders must be approved by Tynwald before they can come into operation.

I beg to move, sir.

The Speaker: Mr Teare.

Mr Teare: I beg to second and to reserve my remarks, sir.

The Speaker: I put the motion that clause 34 stand part of the Bill. Those in favour, say aye; against, no. The ayes have it. The ayes have it.
Clause 35.

Mr Henderson: Gura mie eu, Vainstyr Loayreyder.

Clause 35 covers the financial provision and allows that any increase in expenses resulting from this Bill is to be paid by the Treasury.

I beg to move, sir.

The Speaker: Mr Teare.

Mr Teare: I beg to second and to reserve my remarks, sir.

The Speaker: I put the motion that clause 35 stand part of the Bill. Those in favour, say aye; against, no. The ayes have it. The ayes have it.
Clause 36 and schedule 1.

Mr Henderson: Gura mie eu, Vainstyr Loayreyder.

Clause 36 and schedule 1 cover the amendment of enactments.

Schedule 1 to the Bill lists consequential amendments required to: the Pool Betting (Isle of Man) Act 1961;

the Gaming, Betting and Lotteries Act 1988; and the Online Gambling Regulation Act 2001.
I beg to move, sir.

The Speaker: Mr Teare.

Mr Teare: I beg to second and to reserve my remarks, sir.

The Speaker: I put the motion that clause 36 and schedule 1 stand part of the Bill. Those in favour, say aye; against, no. The ayes have it. The ayes have it.
Finally, clause 37 and schedule 2, please.

Mr Henderson: Gura mie eu, Vainstyr Loayreyder.
Clause 37 and schedule 2 cover enactments to be repealed.
Schedule 2 to the Bill lists all the repeals arising as a consequence of this Bill.
I beg to move, sir.

The Speaker: Mr Teare.

Mr Teare: I beg to second, sir.

The Speaker: I put the motion that clause 37 and schedule 2 stand part of the Bill. Those in favour, say aye; against, no. The ayes have it. The ayes have it.

With that, Hon. Members, we conclude the business of the House today. The House will now stand adjourned until the next sitting which will take place at 10.00 a.m. on 6th March in this Chamber.