



**Isle of Man**  
Government

*Reiltys Ellan Vannin*

# The Treasury *Yn Tashtey*

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Moira Redmond  
Gambling & National Lottery Licensing Division  
Department of Culture, Media and Sport  
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Contact: Ray Todd

Date: 05 March 2004

Dear Ms Redmond

**Subject: UK GAMBLING BILL**

I have been referred to you by Mr Brian O'Kane of HM Customs & Excise, Business Services & Taxes Branch, in Salford. I had raised with him the question of the treatment of the Isle of Man under current and any future UK gambling legislation.

For historical reasons, Great Britain and the Isle of Man form a single area for the purposes of pool betting duty, and there is also a special arrangement in place enabling the Island to benefit from sales of National Lottery tickets in the Island. There is also an exemption in UK law that permits Island bookmakers to advertise and be promoted in the UK, provided that the effective rate of general betting duty being charged here is the same as would be payable to HM Customs & Excise in the UK.

The latter exemption exists despite the fact that the general betting duty paid in the Island is not shared with the UK, as is the case with pool betting duty. A similar exemption has always existed in Island law, allowing for UK bookmakers to advertise etc. in the Island.

Island law relating to pool betting and the National Lottery is kept in line with that in force in the UK, and that relating to bookmakers and general betting duty is kept broadly in line. There are provisions in Island law that allow the Isle of Man Treasury to amend its primary legislation by order so that it can match (with any necessary amendment) corresponding UK law.

The general arrangements outlined above did not and do not extend to online gaming, controlled in the Island under the Online Gambling Regulation Act 2001. However, as you may be aware, there are currently no operators licensed under that Act.

My reason for writing to you, on behalf of the Customs & Excise of the Treasury, is to seek to ensure that the Department is fully aware of the position regarding the Isle of Man when framing the final version of its Bill. In particular, the Island would be anxious to see that section 9 of the Betting and Gaming Duties Act 1981 is replicated in any new Bill.

There appears to be some doubt, according to the Solicitor's Office of HM Customs & Excise, as to whether section 9 applies in respect of "newer" types of betting liable to general betting duty - such as betting exchanges (there are currently no such exchanges located here). It has also expressed doubts that the Island's version of "sponsored pool betting" would also qualify under the exemption.

As a minimum the Treasury would like to see a version of the current section 9 included in the final Bill. If the question of betting exchanges, sponsored pool betting and other forms of gambling liable to general betting duty could be clarified, and the exemption extended to them, this would be most useful.

Ideally, if the exemption could be further extended to include any future operators licensed under the Island's Online Gambling Regulation Act this would, in my opinion, be welcomed.

I will be copying this letter to the Gambling Control Commissioners, who are responsible for the licensing and regulation of all gambling in the Island. The concern of the Customs & Excise Division is solely that of the administration of the excise duties payable on gambling.

Yours sincerely



Ray Todd  
Senior Officer

c.c. Gambling Control Commission