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## STATUTORY INSTRUMENTS

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**2017 No. 303**

# BETTING, GAMING AND LOTTERIES

## The Gambling (Operating Licence and Single-Machine Permit Fees) Regulations 2017

<i>Made</i>	- - - -	<i>7th March 2017</i>
<i>Laid before Parliament</i>		<i>9th March 2017</i>
<i>Coming into force</i>	- -	<i>6th April 2017</i>

The Secretary of State makes the following Regulations in exercise of the powers conferred by sections 69(2)(g) and (5), 100(2) and (3), 103(2), 104(3) and (4), 107(2)(a), 250(3)(e) and (8) and 355(1) of the Gambling Act 2005<sup>(1)</sup>.

### PART 1

#### Introductory

#### Citation and commencement

1.—(1) These Regulations may be cited as the Gambling (Operating Licence and Single-Machine Permit Fees) Regulations 2017.

(2) These Regulations come into force on 6th April 2017.

#### Commencement Information

**II** Reg. 1 in force at 6.4.2017, see [reg. 1\(2\)](#)

#### General interpretation

2.—(1) In these Regulations—

“the Act” means the Gambling Act 2005;

“ancillary remote operating licence” has the meaning given in regulation 16;

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“annual fee”, in relation to a licence, means the fee prescribed under section 100(1)(b) for that licence;

“application fee”, in relation to an application for a licence, means the fee prescribed under section 69(2)(g) to accompany an application for that licence;

“betting intermediary (trading room only) operating licence” means a betting intermediary operating licence (as defined in section 65(2)(e)) which does not authorise the licensee to act as a betting intermediary except where—

- (a) any betting facilitated by a service provided by the licensee under the licence is carried out only—
  - (i) by persons physically present on the premises from which the licensee is providing the service,
  - (ii) by means of remote communication, and
  - (iii) with a person other than the licensee who is the holder of either a remote betting intermediary operating licence or a remote general betting (standard) operating licence; and
- (b) the licensee is not a party to any bet made or accepted by the persons referred to in subparagraph (a)(i) above;

“bingo (game host) operating licence” means a remote bingo operating licence which—

- (a) is not an ancillary remote operating licence,
- (b) is held by the holder of a gambling software operating licence, and
- (c) authorises the licensee to provide facilities for gambling only in circumstances in which the licensee does not contract directly with any of the participants using those facilities;

“casino (game host) operating licence” means a remote casino operating licence which—

- (a) is not an ancillary remote operating licence,
- (b) is held by the holder of a gambling software operating licence,
- (c) authorises the licensee to provide facilities for gambling only in circumstances in which the licensee does not contract directly with any of the participants using those facilities, and
- (d) does not authorise the licensee to provide facilities for peer-to-peer gaming;

“combined non-remote operating licence” has the meaning given in regulation 18(1)(a);

“combined operating licence” has the meaning given in regulation 18;

“combined remote operating licence” has the meaning given in regulation 18(1)(b);

“complementary licence” means, in relation to a licence application, an operating licence which is for (or which includes) all of the kinds of licence to which that application relates;

“converted casino premises licence” has the same meaning as in paragraph 65 of Schedule 4 to the Gambling Act 2005 (Commencement No. 6 and Transitional Provisions) Order 2006(2);

“existing casino operating licence” means a non-remote casino operating licence which authorises the licensee to operate a casino only in premises in respect of which a converted casino premises licence has effect;

“first annual fee”, in relation to a licence, means the fee prescribed under section 100(1)(a) in relation to that licence;

“gaming machine technical (full) operating licence” means a gaming machine technical operating licence which authorises the licensee to carry out all of the activities described in section 65(2)(h);

“gaming machine technical (software) operating licence” means a gaming machine technical operating licence which only authorises the licensee to manufacture, supply, install or adapt software for a gaming machine;

“gaming machine technical (supplier) operating licence” means a gaming machine technical operating licence which only authorises the licensee to supply, install, adapt, maintain or repair a gaming machine, or part of any gaming machine;

“general betting (host) (real events) operating licence” means a general betting (real events) operating licence which—

- (a) is not an ancillary remote operating licence,
- (b) is held by the holder of a gambling software operating licence, and
- (c) authorises the licensee to provide facilities for gambling only in circumstances in which the licensee does not contract directly with any of the participants using those facilities;

“general betting (host) (virtual events) operating licence” means a general betting (virtual events) operating licence which—

- (a) is not an ancillary remote operating licence,
- (b) is held by the holder of a gambling software operating licence, and
- (c) authorises the licensee to provide facilities for gambling only in circumstances in which the licensee does not contract directly with any of the participants using those facilities;

“general betting (limited) operating licence” means—

- (a) a non-remote general betting operating licence which is subject to a condition that the licensee may not hold a betting premises licence; or
- (b) a remote general betting operating licence which—
  - (i) is subject to a condition that the licensee may not hold a non-remote betting operating licence,
  - (ii) only authorises the licensee to provide facilities for betting in circumstances in which—
    - (aa) each bet made or accepted under the licence occurs by means of a telephone or by email, and
    - (bb) the arrangements for each bet are provided, operated or administered by an individual, and
  - (iii) only authorises the licensee to generate an annual gross gambling yield which does not exceed £550,000;

“general betting (real events) operating licence” means a licence which falls within paragraph (b) of the definition of a general betting (standard) operating licence, but which does not authorise the licensee to provide facilities for betting on the outcome of a virtual race, competition or other event or process;

“general betting (remote platform) operating licence” means a licence which—

- (a) falls within paragraph (b) of the definition of a general betting (standard) operating licence, and
- (b) authorises the licensee to provide facilities for gambling only by means of a service supplied by—
  - (i) the holder of a remote betting intermediary operating licence, or

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(ii) the holder of a remote general betting (standard) operating licence;

“general betting (standard) operating licence” means—

- (a) a non-remote general betting operating licence that is not a general betting (limited) operating licence; or
- (b) a remote general betting operating licence that is not a general betting (limited) operating licence;

“general betting (virtual events) operating licence” means a licence that falls within paragraph (b) of the definition of a general betting (standard) operating licence and which authorises the licensee to provide facilities for betting only on the outcome of a virtual race, competition or other event or process other than a game of chance<sup>(3)</sup>;

“group company” means, for a company, any other company which is either a subsidiary or a holding company (as those terms are defined in section 1159 of the Companies Act 2006<sup>(4)</sup>) of that company, or any subsidiary of any such holding company;

“lottery operating (external lottery manager) licence” means a lottery operating licence issued to a person proposing to act as an external lottery manager on behalf of a non-commercial society or local authority;

“lottery operating (society) licence” means a lottery operating licence which is not a lottery operating (external lottery manager) licence;

“new casino operating licence” means a non-remote casino operating licence which does not authorise the licensee to operate a casino in premises in respect of which a converted casino premises licence has effect;

“new controller” has the same meaning as in section 102(2);

“remote communication equipment” means electronic or other equipment that—

- (a) is used to facilitate remote communication, but
- (b) is not a gaming machine;

“single premises gaming” means gaming that—

- (a) takes place on one set of premises, and
- (b) is not linked with gaming that takes place on another set of premises;

“supplementary gambling software operating licence” means a gambling software operating licence (as defined in section 65(2)(i)) which does not authorise the licensee—

- (a) to manufacture, supply, install or adapt gambling software other than software for use in connection with gambling facilities provided by the licensee; or
- (b) to incur, for the purpose of carrying out activities authorised by the licence, costs of more than £50,000 during the period of one year commencing on the day after the day on which the licence is granted, or in any subsequent one year period;

“supplementary gaming machine technical operating licence” means a gaming machine technical operating licence (as defined in section 65(2)(h)) which does not—

- (a) authorise the licensee to—
  - (i) manufacture a gaming machine (or part of such a machine), or
  - (ii) supply, install, adapt, maintain or repair a gaming machine (or part of such a machine) except where the licensee is the only person who makes the machine available for use; or

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<sup>(3)</sup> This phrase is defined in section 353(3) of the Act.

<sup>(4)</sup> 2006 c. 46.

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- (b) authorise the licensee to incur, for the purpose of carrying out activities authorised by the licence, costs of more than £50,000 during the period of one year commencing on the day after the day on which the licence is granted, or in any subsequent one year period;
- “supplementary operating licence” means a supplementary gambling software operating licence or a supplementary gaming machine technical operating licence.

(2) A reference in these Regulations to a section is, unless the contrary intention appears, a reference to a section of the Act.

#### Commencement Information

I2 Reg. 2 in force at 6.4.2017, see [reg. 1\(2\)](#)

### Units of division

3.—(1) This regulation defines the units by reference to which licences are to be assigned to categories for the purpose of prescribing certain fees (see regulations 6 and 11).

(2) The units are—

- (a) in relation to an operating licence (other than an operating licence of a kind specified in paragraph (b), (c), (d) or (e) below)—

- (i) the annual gross gambling yield as calculated in accordance with the following formula—

$$A + B - C$$

where—

A is the total of any amounts that will be paid to the licensee by way of stakes in the relevant period in connection with the activities authorised by the licence,

B is the total of any amounts (exclusive of value added tax) that will otherwise accrue to the licensee in the relevant period directly in connection with the activities authorised by the licence, and

C is the total of any amounts that will be deducted by the licensee for the provision of prizes or winnings in the relevant period in connection with the activities authorised by the licence; or

- (ii) the value of gross annual sales, which is the total amount in money or money's worth that will accrue to the licensee from sales of goods and services authorised by the licence in the relevant period;
- (b) in relation to a non-remote existing casino operating licence, the annual gross gaming yield, which is the aggregate of the gross gaming yield within the meaning of section 11(8) of the Finance Act 1997<sup>(5)</sup> and gaming machine revenue to be generated in the relevant period from the premises on which gaming authorised by the licence takes place;
- (c) in relation to a lottery operating licence, the annual proceeds, which is the aggregate of the proceeds of lotteries authorised by the licence to be promoted wholly or partly in the relevant period;
- (d) in relation to a non-remote general betting (limited) operating licence (other than one falling within sub-paragraph (e)), the total number of working days in the relevant period on which the licence will authorise the licensee to undertake activities authorised by it;

(5) 1997 c. 16.