

HORSERACE BETTING LEVY BOARD
FIFTY-SIXTH LEVY SCHEME
1ST APRIL 2017 TO 31ST MARCH 2018

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21 Bloomsbury Street, London, WC1B 3HF

SECTION A: GENERAL PROVISIONS

- 1.** The Scheme governs the assessment and collection of monetary contributions from Bookmakers for the Fifty-sixth Levy Period (1st April 2017 to 31st March 2018) and has effect under the provisions of section 27 of the Betting, Gaming and Lotteries Act 1963 and the Horserace Betting Levy Acts 1969 and 1981.
- 2. Promulgation**

The Board shall promulgate this Scheme as soon as practicable by despatching copies thereof to all Bookmakers who are holders of current and valid operating licences and to any other Bookmakers or other persons who may be liable to pay the levy. It should be noted that the Scheme and all related correspondence will normally be addressed to a Bookmaker in accordance with the address notified to the Board by the Commission or such other address as the Board considers appropriate. Where a Bookmaker wishes communications to be forwarded to him at some other address he should notify the Board accordingly. Bookmakers who are holders of operating licences are required by the provisions of their operating licence to notify the Commission of any change in address. Failure to do so may affect a Bookmaker's operating licence.
- 3. Liability to the Levy**

Every person who is a Bookmaker (as defined in paragraph 36 below) and who carries on, on his own account, at any time in the Fifty-sixth Levy Period a business which includes the effecting of betting transactions on horse races shall be liable to pay the levy. The expression "Bookmaker" herein includes individuals, partnerships, limited liability partnerships and companies liable to pay the levy. The provisions of this Scheme as to the amount of the levy liability of Bookmakers are set out in Section C below.
- 4.** This is a Scheme which includes provisions requiring Bookmakers to make payments on account of the levy in advance of final assessment to it. Accordingly, the provisions of the Horserace Betting Levy Act 1981 apply to this Scheme. Amongst other provisions of that Act, section 4(2) requires that, if the amount paid on account of the levy in any levy period exceeds the assessment to levy in that period, the Board shall repay the excess to the Bookmaker concerned. The provisions of this Scheme as to the liability of Bookmakers to make payments on account are set out in Section B below and as to the liability of Bookmakers to make payments following the final assessment after the end of the Fifty-sixth Levy Period are set out in Section C below.

SECTION B: PAYMENTS ON ACCOUNT

- 5.** Paragraph 7 below shall have effect for the purpose of determining the total amount of the payments a Bookmaker is required to make on account of his liability to the levy (an "**Advance Payment**"). The amount of each Advance Payment to be made on account and the times at which such payments are due shall be determined by deciding which of the

categories set out in the first column of the table in paragraph 8 below is applicable to a particular Bookmaker and applying the amount(s) and time(s) set out in the second column of that paragraph in respect of that category.

6. Notice of Determination of Advance Payment

Amounts due as a payment on account in advance of final assessment will be notified to the Bookmaker in a Notice of Determination of Advance Payment, which will also show the date on which the Advance Payment falls due to be made. It will be issued on or after 1st March 2017.

7. Basis of Advance Payment - Part A

Part A shall apply to all Bookmakers, except Category 2 Bookmakers (for whom see Part B). Each Bookmaker to whom Part A applies shall be required to make an Advance Payment determined in accordance with Table 1 below.

Table 1

	PERIOD OF TRADING	ADVANCE PAYMENT
(i)	Bookmaker who traded throughout the Fifty-fourth Levy Period.	The amount of the Bookmaker's assessment under the Fifty-fourth Levy Scheme.
(ii)	Bookmaker who commenced trading on his own account during the Fifty-fourth Levy Period.	The amount of the Bookmaker's assessment under the Fifty-fourth Levy Scheme, and increased (where appropriate) on a pro-rata basis for the full levy period.
(iii)	Bookmaker who commenced trading on his own account during the Fifty-fifth Levy Period, where a Form of Declaration has been received by the Board.	The amount of the Bookmaker's assessment under the Fifty-fifth Levy Scheme, and increased (where appropriate) on a pro-rata basis for the full levy period.
(iv)	Bookmaker who commenced trading on his own account during the Fifty-fifth Levy Period and where no Form of Declaration has been received by the Board.	An amount determined by the Government-appointed members of the Board who may, in connection with making their determination, consider such information and undertake such consultation with the Bookmakers' Committee and/or such other persons as the Government-appointed members of the Board may think fit. Where the Bookmaker subsequently provides the Board with the information required for the purposes of his assessment under the Fifty-fifth Levy Scheme, then all the provisions of paragraph 12 shall apply in relation thereto.
(v)	Bookmaker who commenced trading on his own account during the Fifty-sixth Levy Period.	An amount determined by the Government-appointed members of the Board by reference to the estimated level (and type) of British Horserace Betting Business which will give rise to a liability to the levy (in relation to the period from the date of commencement of trading to 31 st March 2018) as agreed between those members and

	PERIOD OF TRADING	ADVANCE PAYMENT
		the Bookmaker. Where such estimated level (and/or type) of British Horserace Betting Business cannot be agreed between the Government-appointed members of the Board and the Bookmaker, then the total sum specified shall be an amount determined by the Government-appointed members of the Board who may, in connection with making their determination, consider such information and undertake such consultation with the Bookmakers' Committee and/or such other persons as the Government-appointed members of the Board may think fit. Where the Bookmaker subsequently provides the Board with such information as it may require in relation to the level (and/or type) of British Horserace Betting Business which will give rise to a liability to the levy in respect of the Fifty-sixth Levy Period, then all the provisions of paragraph 12 shall apply in relation thereto.
(vi)	Betting Platform opened (and remaining open) during the Fifty-fourth Levy Period.	The levy contribution in respect of that Betting Platform during the Fifty-fourth Levy Period, and increased (where appropriate) on a pro-rata basis for the full levy period.
(vii)	Betting Platform closed (and remaining closed) during the Fifty-fourth Levy Period.	The contribution during the Fifty-fourth Levy Period shall be ignored for the purpose of this section.
(viii)	Betting Platform opened (and remaining open) during the Fifty-fifth Levy Period.	The levy contribution in respect of that Betting Platform during the Fifty-fifth Levy Period, and increased (where appropriate) on a pro-rata basis for the full levy period.
(ix)	Betting Platform closed (and remaining closed) during the Fifty-fifth Levy Period.	The contribution during the Fifty-fifth Levy Period shall be ignored for the purpose of this section.

Basis of Advance Payment – Part B

Each Category 2 Bookmaker shall be required to make an Advance Payment determined in accordance with Table 2 below.

Table 2

	PERIOD OF TRADING	ADVANCE PAYMENT
(i)	A Category 2 Bookmaker who traded throughout the Fifty-fourth Levy Period or who commenced trading on his own account during the Fifty-fifth Levy Period or the Fifty-sixth Levy Period.	£240 or £192, in accordance with paragraph 17.

8. Advance Payment and Payment Dates

For the purpose of payment(s) on account of the levy, Bookmakers will be required to make payment as follows:

Bookmakers whose total payment as shown on the Notice of Determination of Advance Payment amounts to a sum:	<i>Payment(s) and time(s) when due</i>
(a) Not exceeding £500.	Subject to Exception 1 below, the total amount is due on 30 th September 2017.
(b) Exceeding £500.	Subject to Exception 2 below, one twelfth of the total amount is due on the 20 th day of each month, save that the first such sum is due on 29 th April 2017, and any resulting fractional or balancing amount shall be added to, and be paid with, the first such sum.

Exception 1 In the case of a Notice of Determination issued after 1st September 2017, the total amount will be due 28 days after the date on which the Notice of Determination is issued.

Exception 2 In the case of a Notice of Determination issued after 1st April 2017, the total amount of any payment in advance shall be divided to the nearest whole amount by the number of complete months remaining in the levy period and the first such resulting sum shall be due 28 days after the date on which the Notice of Determination is issued (together with any resulting fractional or balancing amount) and the remaining payments shall be due on the 20th day of each following complete month until the total amount of the Advance Payment has been paid.

9. Non-payment and underpayment

Save where there is any outstanding appeal or Application for Relief under paragraphs 10-12 below, if any part of the total amount of an Advance Payment due on any date shall remain unpaid at the expiry of 14 days after the applicable due date for payment thereof, the total of all amounts payable on account but unpaid (irrespective of whether or not their due date shall have arrived) for the remainder of the levy period shall become payable immediately. The Bookmakers' Committee or its nominated representative¹ will be consulted before legal action is commenced for non-payment.

¹ Being the Bookmakers' Committee General Secretary or other individual designated by the Committee

10. Right of appeal against Notice of Determination of, and Application for Relief from, Advance Payments

Under section 2 of the Horserace Betting Levy Act 1981, a Bookmaker has a right of appeal against a Notice of Determination of Advance Payment on the grounds that the determination was not in accordance with this Scheme. It must be made in writing to the Board not later than 28 days after the date of service of the Notice of Determination of Advance Payment.

- 11.** Instead of, or in addition to, making an appeal (but not before any such appeal, if made, has been concluded), a Bookmaker may apply in writing at any time to the Board to be excused from making the payments as set out in the Notice of Determination of Advance Payment, giving his reasons (an "**Application for Relief**"). Such an Application for Relief, which is made under section 3 of the 1981 Act, should be on the ground that the Bookmaker's circumstances make it unjust that he should make payments in accordance with the Notice. (It should not seek to claim that the Notice of Determination is not in accordance with the Scheme, but instead why and how the terms of the Scheme work unjustly in his case.) A Bookmaker may make more than one Application for Relief under section 3 of the 1981 Act, but any further applications will only be considered where there has been a change in the Bookmaker's circumstances since the last preceding application was considered.

12. Processing of Application for Relief from payment in advance

If the Board receives an Application for Relief from payments from a Bookmaker, this may be the subject of consultation between the Board and the Bookmakers' Committee and others, at the discretion of the Government-appointed members of the Board. Those members will either dismiss the Application for Relief or direct that from a specified date payments shall cease or shall be reduced. If they dismiss the Application for Relief, the payments due under the Notice of Determination of Advance Payment will stand. If they direct that the payments shall cease, they will cancel the Notice of Determination of Advance Payment and issue a Notice to that effect. If they direct that the Advance Payment shall be reduced, the Board will issue a revised Notice of Determination of Advance Payment setting out the reduced Advance Payment. Each such form of Notice will specify the date from which it will take effect.

SECTION C: ASSESSMENT TO PAY

(Note: As regards "Betting Activity", "Betting Activities", "Bet-broker", "Bet-broking", "Betting Exchange", "Betting Office", "Betting Offices operated by the Bookmaker", "Betting Platform", "British Horserace Betting Business", "British Horseracing", "Cash Turnover", "Gross Profit", "Gross Profit on British Horserace Betting Business", "Horse Racecourse", "Internet Turnover", "licensing authority", "one hundred Betting Offices", "person", "Racecourse Betting Office", "Spread Betting Turnover", "Telephone Turnover", "Turnover", see under heading Definitions in paragraph 36.)

13. Computation of the Levy

The category into which each Bookmaker falls for the purposes of the levy shall be determined by reference to the Betting Activity or Betting Activities he carries on. **The amount of levy payable by each Bookmaker shall be determined by reference to the category into which that Bookmaker falls and calculated as the aggregate of the Bookmaker's liability to the levy in respect of all Betting Activities he undertakes.** Notices

of Assessment will state the appropriate charge to levy computed in whole pounds (rounded down) – see paragraph 31(ii) below as regards overpayments.

14. CATEGORY 1

A Bookmaker who carries on any one or more of the following Betting Activities and does not fall within Category 2, Category 3 or Category 4 shall fall within Category 1 and shall be a "Category 1 Bookmaker":

- Betting Activity 1.1:** British Horserace Betting Business giving rise to Cash Turnover
- Betting Activity 1.2:** British Horserace Betting Business giving rise to Telephone and/or Internet Turnover
- Betting Activity 1.3** British Horserace Betting Business on Horse Racecourses (other than standing only at point-to-point and/or harness-racing and/or trotting events, being Betting Activity 2.2 below), where carried on in conjunction with any other Betting Activity or Betting Activities
- Betting Activity 1.4** British Horserace Betting Business by operating as a Betting Exchange, where carried on in conjunction with any other Betting Activity or Betting Activities (except where the only other Betting Activity is operating as a Bet-broker, for which see Category 3)
- Betting Activity 1.5** British Horserace Betting Business by operating as a Bet-broker, where carried on in conjunction with any other Betting Activity or Betting Activities (except where the only other Betting Activity is operating as a Betting Exchange, for which see Category 3)
- Betting Activity 1.6** British Horserace Betting Business giving rise to Spread Betting Turnover, where carried on in conjunction with any other Betting Activity or Betting Activities
- Betting Activity 1.7** British Horserace Betting Business not within Betting Activities 1.1 to 1.6 above (other than standing only at point-to-point and/or harness-racing and/or trotting events, being Betting Activity 2.2 below)

- 15.** A Category 1 Bookmaker's liability to the levy shall be calculated by reference to the type of Betting Activity or Betting Activities carried out, and the Gross Profit on British Horserace Betting Business (or, with regard to Betting Activity 1.3, a fixed sum) arising, in accordance with Table A.

Table A

Betting Activity	Gross Profit Range (if applicable)	Levy Liability
1.1(a)	Where the Bookmaker operates more than one hundred Betting Offices, Gross Profit on British Horserace Betting Business derived from Cash Turnover referable to each Betting Office.	10.75% of such Gross Profit.
1.1(b)	Where the Bookmaker operates one hundred Betting Offices or fewer and the Betting Activity has been carried on at a Betting Office throughout the whole levy period and where the Gross Profit on British Horserace Betting Business derived from Cash Turnover referable to that Betting Office is £57,257 or more.	10.75% of such Gross Profit.
1.1(c)	Where the Bookmaker operates one hundred Betting Offices or fewer and the Betting Activity has been carried on at a Betting Office throughout the whole levy period and where the Gross Profit on British Horserace Betting Business derived from Cash Turnover referable to that Betting Office is less than £57,257.	<p>$\left[\frac{\text{"x"}}{\pounds 57,257} \right] \times 10.75\%$ of such Gross Profit, where "x" equals such Gross Profit, subject to this abated rate only being applicable up to a maximum of thirty Betting Offices operated by the Bookmaker. This maximum number of Betting Offices shall be calculated by reference to the aggregate number of Betting Offices operated by the Bookmaker for which the abated rate is claimed for Betting Activities 1.1(c) and 1.1(e) below.</p> <p>For all other such Betting Offices operated by the Bookmaker above this maximum number, 10.75% of such Gross Profit.</p>

Betting Activity	Gross Profit Range (if applicable)	Levy Liability
1.1(d)	Where the Bookmaker operates one hundred Betting Offices or fewer and the Betting Activity has been carried on at a Betting Office for less than the full levy period and where the Gross Profit on British Horserace Betting Business derived from Cash Turnover referable to that Betting Office averages £156.87 or more for each day falling within that part of the levy period during which the Bookmaker has carried on such Betting Activity.	10.75% of such Gross Profit.
1.1(e)	Where the Bookmaker operates one hundred Betting Offices or fewer and the Betting Activity has been carried on at a Betting Office for less than the full levy period and where the Gross Profit on British Horserace Betting Business derived from Cash Turnover referable to that Betting Office averages less than £156.87 for each day falling within that part of the levy period during which the Bookmaker has carried on such Betting Activity.	<p>The percentage of such Gross Profit is found by multiplying 10.75% by the formula:</p> $\frac{\text{Gross Profit}}{\text{£156.87} \times "n"}$ <p>where "n" is the inclusive number of days falling within that part of the levy period during which the Bookmaker has carried on such Horserace Betting Business at that Betting Office, subject to this abated rate only being applicable up to a maximum of thirty Betting Offices operated by the Bookmaker. This maximum number of Betting Offices shall be calculated by reference to the aggregate number of Betting Offices operated by the Bookmaker for which the abated rate is claimed for Betting Activities 1.1(c) above and 1.1(e).</p> <p>For all other such Betting Offices operated by the Bookmaker above this maximum number, 10.75% of such Gross Profit.</p>

Betting Activity	Gross Profit Range (if applicable)	Levy Liability
1.1(f)	Where the Betting Activity has been carried on at a Betting Office throughout the whole levy period and where Gross Profit on British Horserace Betting Business is derived from Cash Turnover referable to that Betting Office and is £60,000 or less.	<p>A deduction from the Bookmaker's total levy liability otherwise due in respect of Betting Activity 1.1 equal to the sum of £1,100 per Betting Office in respect of the first thirty of such Betting Offices operated by the Bookmaker and the sum of £500 per Betting Office in respect of any such additional Betting Offices operated by the Bookmaker. In determining the first thirty Betting Offices, reference shall be made to the aggregate number of Betting Offices operated by the Bookmaker for which the deduction is claimed for Betting Activities 1.1(f) and 1.1(g) below.</p> <p>In implementing this deduction the Bookmaker's total levy liability in respect of Betting Activity 1.1 cannot be reduced below £nil.</p>

Betting Activity	Gross Profit Range (if applicable)	Levy Liability
1.1(g)	Where the Betting Activity has been carried on at a Betting Office for less than the full levy period and where Gross Profit on British Horserace Betting Business is derived from Cash Turnover referable to that Betting Office averages £164.38 or less for each day falling within that part of the levy period during which the Bookmaker has carried on such Betting Activity.	<p>A deduction from the Bookmaker's total levy liability otherwise due in respect of Betting Activity 1.1 equal to the sum of £1,100 per Betting Office in respect of the first thirty of such Betting Offices operated by the Bookmaker and the sum of £500 per Betting Office in respect of any such additional Betting Offices operated by the Bookmaker, in each case pro-rated in line with the inclusive number of days falling within that part of the levy period during which the Bookmaker has carried on such Horserace Betting Business at that Betting Office. In determining the first thirty Betting Offices, reference shall be made to the aggregate number of Betting Offices operated by the Bookmaker for which the deduction is claimed for Betting Activities 1.1(f) above and 1.1(g).</p> <p>In implementing this deduction the Bookmaker's total levy liability in respect of Betting Activity 1.1 cannot be reduced below £nil.</p>
1.1(h)	Where the Betting Activity has been carried on at a Betting Office throughout the whole levy period and where Gross Profit on British Horserace Betting Business is derived from Cash Turnover referable to that Betting Office and is between £60,001 and £60,999.	<p>A deduction from the Bookmaker's total levy liability otherwise due in respect of Betting Activity 1.1 equal to the sum of £0.50 per such Betting Office operated by the Bookmaker multiplied by the amount by which the Cash Turnover referable to that Betting Office is less than £61,000 but not equal to or less than £60,000.</p> <p>In implementing this deduction the Bookmaker's total levy liability in respect of Betting Activity 1.1 cannot be reduced below £nil.</p>

Betting Activity	Gross Profit Range (if applicable)	Levy Liability
1.1(i)	Where the Betting Activity has been carried on at a Betting Office for less than the full levy period and where Gross Profit on British Horserace Betting Business is derived from Cash Turnover referable to that Betting Office averages between £164.39 and £167.12 for each day falling within that part of the levy period during which the Bookmaker has carried on such Betting Activity.	<p>A deduction from the Bookmaker's total levy liability otherwise due in respect of Betting Activity 1.1 equal to the sum of £0.50 per such Betting Office operated by the Bookmaker multiplied by the amount by which the daily Cash Turnover referable to that Betting Office is less than or equal to £167.12 but not equal to or less than £164.38, with the result multiplied by n where "n" is the inclusive number of days falling within that part of the levy period during which the Bookmaker has carried on such Horserace Betting Business at that Betting Office</p> <p>In implementing this deduction the Bookmaker's total levy liability in respect of Betting Activity 1.1 cannot be reduced below £nil.</p>
1.2	Gross Profit on British Horserace Betting Business derived from Telephone and/or Internet Turnover.	10.75% of such combined Gross Profit.
1.3	Gross Profit range is not applicable to Betting Activity conducted on Horse Racecourses (where such Betting Activity is carried on in conjunction with any other Betting Activity or Betting Activities) (calculation of liability to the levy is by reference to a fixed sum).	The amount of charge which would be payable under paragraph 17 below in respect of Betting Activity conducted on Horse Racecourse(s), if the relevant Bookmaker was a Category 2 Bookmaker and carried on such Betting Activity on Horse Racecourse(s) only.
1.4	Gross Profit on British Horserace Betting Business derived from operating as a Betting Exchange (where such Betting Activity is carried on in conjunction with any other Betting Activity or Betting Activities (except operating as a Bet-broker, for which see Category 3)).	10.75% of such Gross Profit.

Betting Activity	Gross Profit Range (if applicable)	Levy Liability
1.5	Gross Profit on British Horserace Betting Business derived from operating as a Bet-broker (where such Betting Activity is carried on in conjunction with any other Betting Activity or Betting Activities (except operating as a Betting Exchange, for which see Category 3)).	10.75% of such Gross Profit.
1.6	Gross Profit on British Horserace Betting Business derived from Spread Betting Turnover (where such Betting Activity is carried on in conjunction with any other Betting Activity or Betting Activities).	2.15% of such Gross Profit.
1.7	Gross Profit on British Horserace Betting Business derived from Turnover in respect of the Betting Activity concerned.	10.75% of such Gross Profit.

16. CATEGORY 2

A Bookmaker who carries on either of the following Betting Activities (and no other Betting Activity or Betting Activities) shall fall within Category 2 and shall be a "**Category 2 Bookmaker**":

Betting Activity 2.1: British Horserace Betting Business on Horse Racecourses only (other than standing only at point-to-point and/or harness-racing and/or trotting events, being Betting Activity 2.2 below), whether or not such business is carried on at a Racecourse Betting Office.

Betting Activity 2.2: British Horserace Betting Business only at point-to-point and/or harness racing and/or trotting events.

17. A Category 2 Bookmaker's liability to the levy shall be calculated by reference to the type of Betting Activity carried out, in accordance with Table B.

Table B

Betting Activity	Levy Liability
2.1	£240
2.2	£192

18. CATEGORY 3

A Bookmaker who carries on either or both of the following Betting Activities (and no other Betting Activity) shall fall within Category 3 and shall be a "**Category 3 Bookmaker**":

Betting Activity 3.1: British Horserace Betting Business by operating as a Betting Exchange.

Betting Activity 3.2: British Horserace Betting Business by operating as a Bet-broker.

19. A Category 3 Bookmaker's liability to the levy shall be calculated by reference to the type of Betting Activity or Betting Activities carried out, in accordance with Table C.

Table C

Betting Activity	Levy Liability
3.1	10.75% of the Gross Profit derived from operating as a Betting Exchange
3.2	10.75% of the Gross Profit derived from operating as a Bet-broker

20. CATEGORY 4

A Bookmaker who carries on British Horserace Betting Business giving rise to Spread Betting Turnover only shall fall within Category 4 and shall be a "**Category 4 Bookmaker**".

21. A Category 4 Bookmaker's liability to the levy shall be an amount equal to 2.15% of the Bookmaker's Gross Profit on British Horserace Betting Business derived from Spread Betting Turnover.

PROCEDURE FOR ASSESSMENT

22. Submission of Forms of Declaration

The copies of the Scheme will be despatched in accordance with "Promulgation" in paragraph 2 above. Forms of Declaration will be despatched on or before 31st March 2018 or as soon as practicable thereafter. Within 28 days after 31st March 2018 (or, if later, the despatch date of the relevant Form of Declaration), the Bookmaker(s) to whom it is despatched shall complete the Form and submit it to the Board. The Chief Executive of the Board shall have power, but shall not be obliged, to extend the said period of 28 days upon receiving a written request to do so and a statement of the reasons for the request.

23. Claims for Exemption

A Bookmaker who claims that he is not liable to pay the levy must complete the relevant part of the Form of Declaration and, within 28 days after the later of 31st March 2018 and the despatch date, return the Form duly signed.

24. Deceased Bookmaker

Where a Bookmaker has died, it shall be the responsibility of his personal representative(s) to notify the Board. The personal representative(s) shall state whether or not the business has been continued since the Bookmaker's death and shall complete the Form of Declaration if it has not been completed by the Bookmaker prior to his death.

25. Independent Accountant's Report/Information to accompany the Form of Declaration/ Verification

The Form of Declaration submitted by each Category 1 Bookmaker, Category 3 Bookmaker and Category 4 Bookmaker shall be accompanied by a report by an Independent Accountant and shall contain such information as the Chief Executive of the Board may reasonably require for the purposes of assessing and/or collecting the amount of levy due (including information on the Bookmaker's Gross Profit on British Horserace Betting Business). Category 2 Bookmakers shall not be required to provide an Independent Accountant's report. A Bookmaker shall provide to the Board, and the Board may obtain from any relevant source, such information as the Chief Executive of the Board may reasonably require, in order to assess and/or verify the Bookmaker's liability to the levy.

26. Failure to provide an Independent Accountant's Report

If a Bookmaker fails to provide an Independent Accountant's Report where such a report is required pursuant to paragraph 25 above, that Bookmaker shall be deemed to have failed to submit a properly completed Form of Declaration in accordance with paragraph 22 above and the provisions of paragraph 28 below shall apply accordingly. In such circumstances the Chief Executive of the Board shall have power (but no obligation) to instruct an Independent Accountant to provide the required report. All costs and expenses reasonably incurred by the Board in connection with obtaining such a report shall be recoverable by, and due as a debt to, the Board from the relevant Bookmaker. On receipt of the required Independent Accountant's Report, the Board will issue a Notice of Assessment, or Certificate of Exemption, as applicable.

27. Failure to provide Information

If a Bookmaker fails to provide any information required by the Chief Executive of the Board pursuant to paragraph 25 above, that Bookmaker shall be deemed to have failed to submit a properly completed Form of Declaration in accordance with paragraph 22 above and the provisions of paragraph 28 below shall apply accordingly.

28. Failure or deemed failure to submit properly completed Form of Declaration

Where there has been a failure or deemed failure to submit a properly completed Form of Declaration in accordance with paragraph 22 above in relation to a Bookmaker:

- (i) in forming their opinion as to the category into which the Bookmaker falls for the purposes of the levy, the Government-appointed members of the Board may rely on any such estimate or assumption made or approved by them, and on any such information available to them, as they think fit, including any modification thereof;
- (ii) for all purposes of assessments to the levy the Board may rely on any such estimate or assumption made or approved by them or the Government-appointed members of the Board, and on any such information available to them, as they think fit, including any modification thereof; and
- (iii) the Board will accordingly serve a Notice of Assessment, or despatch a Certificate of Exemption, as appropriate, taking account of the Government-appointed members of the Board's opinion as to the category in which the Bookmaker falls.

29. Notice of Assessment and Certificate of Exemption

Each person to whom a Form of Declaration is despatched will be assessed to, or exempted from, the levy in accordance with section 2 of the Horserace Betting Levy Act 1969 and this

Scheme and a Notice of Assessment will be served or, as appropriate, a Certificate of Exemption despatched.

30. Right of Appeal against Notice of Assessment

Under section 28 of the Betting, Gaming and Lotteries Act 1963, a Bookmaker has a right of appeal against a Notice of Assessment on the grounds that it is not in accordance with this Scheme. Such appeal must be made in writing to the Board not later than 28 days after the date of service of the Notice of Assessment.

31. Payments and Costs

- (i) The Notice of Assessment is also the demand note. The amount assessed as payable, less amounts paid on account, shall become due 28 days after the date of service of the Notice of Assessment unless the Bookmaker has appealed against that Notice, in accordance with the provisions of the Betting, Gaming and Lotteries Act 1963. Upon the discharge of liability to levy, a Certificate of Discharge will be issued by the Board. Certificates of Discharge and Certificates of Exemption should be preserved carefully for production to the Commission or licensing authority when making application for renewal of a licence or for other relevant purposes. The Board reserves the right to disclose to the Commission failure by a Bookmaker to pay any amounts due in respect of that Bookmaker's liability to the levy.
- (ii) Any sum overpaid by a Bookmaker as a result of the Advance Payment or otherwise shall be repaid by the Board when the Notice of Assessment is issued, unless:
 - (a) the overpayment is £10 or less in amount, when it shall be repaid to the relevant Bookmaker upon receipt by the Board of a written request from the Bookmaker for such repayment within 14 days of the date of issue of the Notice of Assessment. Failing receipt of any such request within that time, all and any such sums shall be applied towards meeting the administrative charges of implementing and operating the Levy Scheme; or
 - (b) the Bookmaker has an outstanding levy liability in respect of one or more Levy Schemes exceeding £10 in amount, when the overpayment is to be applied in reduction of the outstanding levy liability of the Bookmaker under, first, any applicable prior Levy Schemes (satisfying an outstanding liability under earlier Schemes before later) and, thereafter, Notices of Determination of Advance Payment in respect of subsequent years' Levy Schemes.
- (iii) All legal costs and expenses incurred by the Board in pursuing the outstanding levy liability of a Bookmaker shall, up to £150 (exclusive of any applicable VAT) in each case, be recoverable by, and due as a debt to, the Board from such Bookmaker unless any such matter proceeds to judgment and costs are awarded within that judgment to the Board.

SECTION D: APPLICATION TO PARTNERSHIPS AND DEFINITIONS

32. Application of the Scheme to partnerships

Where a business which includes the effecting of betting transactions on British horse races is carried on by two or more Bookmakers in partnership, one Form of Declaration signed by

all the partners shall be submitted in respect of the whole business of the partnership and the partnership shall be charged as if it were an individual Bookmaker.

33. Every partner in the partnership shall be liable jointly and severally with the other partners for payment of the charge on the partnership. Notice of the charge on the partnership shall be issued, showing the full liability in respect of the partnership as a whole (and not apportioned among the partners), to the address for the partnership notified to the Board by the Commission or to such other address as the partnership may have notified to the Board for communications, and a copy of such notice shall also be sent to each partner to the address notified to the Board by the Commission for that partner or to such other address as the partner may have notified to the Board for communications.
34. Where one Form of Declaration is required in respect of the whole business of a partnership, any partner who is also trading as an individual must in addition complete a separate Form of Declaration in respect of his business as an individual.
35. As regards "Payments on Account", a Notice of Determination of Advance Payment shall be issued, showing the full liability by way of payment on account attributable to the partnership as a whole (and not apportioned among the partners), to the address for the partnership notified to the Board by the Commission or to such other address as the partnership may have notified to the Board for communications, and a copy of such Notice shall also be sent to each partner to the address notified to the Board by the Commission for that partner or to such other address as the partner may have notified to the Board for communications.
36. **Definitions etc**

For the purpose of this Scheme, and except as otherwise expressly provided herein (and subject as mentioned below), the following expressions shall have the following meanings respectively (and any reference to the word "include", "includes" or "including" shall be construed without limitation):

- (1) **"Advance Payment"** shall have the meaning given to it in paragraph 5.
- (2) **"Bet-broker"** means a "bet-broker" within the meaning given in section 5C of the Betting and Gaming Duties Act 1981, or a Betting Intermediary, and **"Bet-broking"** shall be construed accordingly.
- (3) **"Betting Activity"** means any British Horserace Betting Business activity carried on through a particular Betting Platform or on a Horse Racecourse and **"Betting Activities"** shall be construed accordingly.
- (4) **"Betting Exchange"** means a person carrying on betting exchange business as defined in section 5C of the Betting and Gaming Duties Act 1981, or a Betting Intermediary.
- (5) **"Betting Intermediary"** has the meaning given in section 13 of the Gambling Act 2005.
- (6) **"Betting Office"** means any premises in respect of which a current betting premises licence is required under the Gambling Act 2005, or such other premises as the Board may designate at any time as a Betting Office for the purposes of this Scheme.
- (7) **"Betting Offices operated by the Bookmaker"** means the number of Betting Offices operating in Great Britain, which are under common 'Control', where 'Control' shall mean the ability to appoint a majority of the board of directors or the ownership of

at least 50% of the voting rights exercisable at general meetings, or by contract or otherwise.

- (8) **"Betting Office Months"** means the number of complete months a Betting Office has been operating in a year.
- (9) **"Betting Platform"** means any separate medium (including internet web-sites and telephone call centres and Betting Offices) through, in or by means of which any Internet Turnover, Spread Betting Turnover, Telephone Turnover or Cash Turnover is generated, or a Betting Exchange or Bet-broking operates or is operated.
- (10) **"Board"** means the Horserace Betting Levy Board.
- (11) **"Bookmaker"** means such a person as defined by section 55(1) of the Betting, Gaming and Lotteries Act 1963 (as that provision had effect immediately before 1st September 2007) (except, where the context so requires, it shall mean the personal representative(s) of such person).
- (12) **"Bookmakers' Committee"** means such committee as defined in section 55(1) of the Betting, Gaming and Lotteries Act 1963 (as that provision had effect immediately before 1st September 2007).
- (13) **"British Horseracing"** means horse racing which takes place anywhere in England, Wales or Scotland.
- (14) **"British Horserace Betting Business"** means the business of effecting betting transactions by Bookmakers on horse races, where such races take place anywhere in England, Wales or Scotland, whether such business is carried on personally or through servants or agents and whether carried on by post, telephone or in any other manner whatsoever. This includes the carrying on of such business through the medium of a Betting Exchange or a Bet-broker, carried out by whatever means.
- (15) **"Cash Betting"** means betting on horse races where the stake is paid at, or prior to, the time when the bet is accepted by the Bookmaker.
- (16) **"Cash Turnover"** means Turnover in respect of British Horseracing which consists entirely of amounts staked in respect of Cash Betting.
- (17) **"Category 1 Bookmaker"** means a Bookmaker who carries on British Horserace Betting Business which falls within Category 1 in paragraph 14.
- (18) **"Category 2 Bookmaker"** means a Bookmaker who carries on British Horserace Betting Business which falls within Category 2 in paragraph 16.
- (19) **"Category 3 Bookmaker"** means a Bookmaker who carries on British Horserace Betting Business which falls within Category 3 in paragraph 18.
- (20) **"Category 4 Bookmaker"** means a Bookmaker who carries on British Horserace Betting Business which falls within Category 4 in paragraph 20.
- (21) **"Certificate of Discharge"** means the certificate showing that the liability for the levy has been discharged issued in accordance with paragraph 31.
- (22) **"Certificate of Exemption"** means a certificate exempting a person from the levy despatched in accordance with paragraph 26, 28 or 29 (as applicable).

- (23) **"Commission"** means the Gambling Commission established by section 20 of the Gambling Act 2005.
- (24) **"day"** means calendar day.
- (25) **"Form of Declaration"** or **"Form"** means the form which the Board requires a Bookmaker to complete in order to assess his liability to the levy.
- (26) **"Government-appointed member of the Board"** means a member of the Board appointed pursuant to section 24(2)(a) of the Betting, Gaming and Lotteries Act 1963.
- (27) **"Gross Profit"** means the aggregate of amounts which fall due to a Bookmaker during the levy period in respect of bets made with him, less the aggregate of amounts paid out by that Bookmaker in the levy period by way of winnings to persons who made bets with him, save in the case of a Bet-broker where it means the amounts that the Bet-broker charges in relation to bets entered into via the Bet-broker and in the case of a Betting Exchange where it means the amounts that the Betting Exchange charges the parties to all bets entered into via the relevant Betting Exchange, in each case whether by deduction from winnings or otherwise, and save that this definition shall not apply in respect of bets placed on point-to-point, harness racing or trotting events.
- (28) **"Gross Profit on British Horserace Betting Business"** means Gross Profit (as defined above) derived from British Horserace Betting Business.
- (29) **"Horse Racecourse"** means any ground in respect of which a betting premises licence authorising its use as a horse racecourse has been granted by a licensing authority under Part 8 of the Gambling Act 2005, or any point-to-point course in respect of which an occasional use notice has been given under section 39 of the Gambling Act 2005, or any ground otherwise designated at any time by the Board as a Horse Racecourse for the purposes of this Scheme.
- (30) **"Independent Accountant"** means a person or persons, independent of the Bookmaker, eligible under the provisions of the Companies Act 2006 for appointment as a company auditor.
- (31) **"Internet Turnover"** means betting Turnover in respect of British Horseracing where the betting business is effected with a Bookmaker via the medium of the internet, other than via Bet-broking or via a Betting Exchange.
- (32) **"levy period"** means such period defined in section 55(1) of the Betting, Gaming and Lotteries Act 1963 (as that provision had effect immediately before 1st September 2007).
- (33) **"licensing authority"** has the meaning given in section 2 of the Gambling Act 2005.
- (34) **"Notice of Assessment"** means a notice for assessment of the levy served in accordance with paragraph 26, 28 or 29 (as applicable).
- (35) **"Notice of Determination"** means a notice of determination of Advance Payment sent in accordance with paragraph 6.
- (36) **"one hundred Betting Offices"** is calculated by reference to the total number of Betting Office Months at Betting Offices operated by the Bookmaker during the

year, divided by twelve. If the result is 101 or greater, then the Bookmaker should be classified as having greater than 100 Betting Offices. If the result is between 100 and 101 the number shall be rounded down and the Bookmaker classified as having 100 Betting Offices or fewer.

- (37) **"operating licence"** has the meaning given in section 353 of the Gambling Act 2005.
- (38) **"partnership"** shall not include a limited liability partnership under the Limited Liability Partnerships Act 2000.
- (39) **"person"** includes any natural individual, company, other legal entity, unincorporated association, partnership or limited liability partnership.
- (40) **"Racecourse Betting Office"** means any premises at a Horse Racecourse (as defined above) which are used for the purposes of conducting betting transactions on horse races.
- (41) **"Spread Betting Turnover"** means amounts staked in respect of spread bets on British Horseracing (disregarding for this purpose anything excluded from the expression "bet" by virtue of section 10 of the Gambling Act 2005).
- (42) **"Telephone Turnover"** means betting Turnover in respect of British Horseracing where the betting business is effected with a Bookmaker via the telephone or via interactive services (but excludes Spread Betting Turnover, Internet Turnover and Cash Turnover and amounts arising from operating as a Bet-broker and/or a Betting Exchange).
- (43) **"Turnover"** means the aggregate of all amounts staked with a Bookmaker in respect of bets on horse races computed in the same manner as for the purposes of General Betting Duty charged under the Betting and Gaming Duties Act 1981 as in force at 1st January 2001, notwithstanding any statutory modification or re-enactment thereof as may be in force thereafter.

Where any issue arises as to whether, or the extent to which, any amounts fall to be treated for the purposes of this Scheme as one or more of Cash Turnover, Internet Turnover, Spread Betting Turnover, Telephone Turnover or amounts arising from operating as a Bet Broker or Betting Exchange, it shall be determined by the Government-appointed members of the Board.

Except as otherwise expressly provided or stated herein, (i) references in this Scheme to enactments are to enactments as amended from time to time; (ii) the reference in the definition of Cash Betting to a stake being paid is to its being paid, or undertaken to be paid, by any means, whether or not in cash, and includes reference, in cases of payment by credit or debit transaction, to the entry into or effecting of the transaction, and reference to the incurring of an obligation to pay it; (iii) references in this Scheme to a telephone include references to a mobile telephone or other means of telephonic communication; and (iv) references to any activity are to be construed regardless of any overlap, or elements shared in common with, any other activity or business (but not to the intent of resulting in double-counting).

Notwithstanding the preceding provisions of this Scheme -

- (a) references in this Scheme to a licence or other permit include references to anything having effect by virtue of the Gambling Act 2005 (or any subordinate legislation made under it) as if it were such a licence or permit; and
- (b) this Scheme shall apply with such modifications as the Board considers necessary or expedient to take account of, or give effect to, any provision of the Gambling Act 2005 (or of any subordinate legislation made under it).

LONDON
March 2017

ALAN DELMONTE
Chief Executive
Horseshoe Betting Levy Board