

26th June 2012

UK Offshore Gambling Bill - Second reading

A bill introduced by Conservative Member of Parliament (MP) Matthew Hancock which attempts to bring offshore gambling operators within the UK fiscal and regulatory regime will receive a second reading on 25th January 2013.

Introduced as a non-government sanctioned Private Members' Bill in February this year under the UK Parliaments ten-minute rule, the bill would regulate remote gambling on a point of consumption basis. The Treasury has already undertaken some initial consultation on a point of consumption based tax with the current round due to close later this week. However, to date this has only been in respect of the principal and exploration of details of application, implementation and compliance.

In light of the symbiotic relationship between tax and regulatory regimes for all gambling operators it becomes particularly difficult, and on occasions impossible, to give meaningful response to consultation questions on one, without some knowledge of the parallel changes in the other.

The issue of potential rate has yet to be finalised, which does present the opportunity to level the gambling playing field and address the unfair and punitive tax treatment that land based bingo continues to receive. To tax online forms of gambling at a different rate to their comparable land based versions could raise issues concerning competition and subsidy under European law.