

Gaming and Betting update

In this update, we look at some of the recent developments in the gambling sector, including:

- a Commencement Order to give effect to the Gaming and Lotteries (Amendment) Act 2019 has been signed and the Act will come into operation on 1 December 2020
- the new Programme for Government published by Fianna Fáil, Fine Gael and the Green Party, and what that means for the gambling sector and
- two new guidance notes published by the Revenue Commissioners detailing certain exemptions from VAT applying to remote betting and the application of VAT to gaming services and amusement machines.

Gaming and Lotteries (Amendment) Act 2019

On 26 June 2020, the Minister for Justice and Equality, signed a Commencement Order to give effect to the Gaming and Lotteries (Amendment) Act 2019 (the **2019 Act**). The 2019 Act was signed into law in December 2019 but it required a Commencement Order to bring it into effect.

The Commencement Order appoints **1 December 2020** as the date on which the provisions of the 2019 Act will come into operation. The 2019 Act will be commenced in full and the Commencement Order can be found [here](#).

The 2019 Act makes a number of changes to the licensing regime for gaming and lotteries in Ireland. These changes include an increase in the permitted stakes and prize limits for gaming machines and a new tiered licensing regime for lotteries. The 2019 Act also introduces an age limit of 18 years for all gaming and lottery activities, including tote betting.

We published a briefing in January 2020 that examined the changes introduced by the 2019 Act in more detail. You can access that [here](#).

Gambling reform included in the new draft Programme for Government

Programme for Government

On 26 June 2020, Fianna Fáil, Fine Gael and the Green Party signed off on the Programme for Government. The Programme for Government sets out the proposed actions and ambitions for the new coalition government over the next five years that the government is scheduled to be in office.

The Programme for Government provides that the regulation of gambling is one of the issues that the government intends to deal with during its lifetime. The Programme for Government itself is light on detail and simply provides that that the new government will “*establish a gambling regulator, focused on public safety and wellbeing, covering gambling online and in person, and the powers to regulate advertising gambling websites and apps*”.

General Scheme for a Gambling Control Bill 2013

While the previous Fine Gael government had taken some steps to start the process of reforming Irish gambling legislation, it was widely criticised by opposition parties for the slow pace of the reform. That government published a General Scheme for a Gambling Control Bill in 2013 (the **2013 Scheme**) but little progress was made on the Bill until an interdepartmental working group was set up in 2018 to report on updates that needed to be made to the Scheme in light of developments in the industry since 2013.

A key recommendation in the report published by the working group in 2019 was the establishment of a new independent regulator for the industry. In light of that report, the then Minister of State with special responsibility for gambling regulation, David Stanton TD, announced that the government had approved the establishment of an Irish gambling regulatory authority. He indicated that the intention was to establish this new regulator in 'sleep mode' by the end of 2020 with a view to it going live in 2021.

However, those plans were stalled when the general election called in February 2020 did not return the outgoing government to office and that resulted in prolonged coalition talks. The pandemic re-focused the government's priorities and forced it to devote its energies to managing that crisis during the early part of 2020.

Fianna Fáil policy paper on gambling

In early 2020, while in opposition, the now largest party in the new coalition government, Fianna Fáil, published a policy paper on gambling. The policy paper set out the party's ambition to severely restrict sports sponsorship and advertising by betting companies and to put a gambling regulator in place by the end of 2020, if elected.

Fianna Fáil's policy paper also promised to ban credit card betting and in-game betting, as well as delegating strong powers to the regulator to oversee online and in-person betting, including age restrictions, gambling limits and cooling off periods.

It was also proposed that the newly-created gambling regulator would be funded by a levy on the gambling sector itself.

It remains to be seen if the newly formed coalition government will adopt many of the proposals contained in the policy paper, given that it is the Fine Gael nominee, Helen McEntee, who is the new Minister for Justice. However the Fianna Fáil nominee, Charlie McConalogue, is the Junior Minister with specific responsibility for law reform and it will be interesting to see how that partnership works in relation to gambling law reform.

VAT treatment of betting and gaming

In June 2020, the Revenue Commissioners issued two new guidance notes detailing certain exemptions from VAT applying to remote betting and the application of VAT to gaming services and amusement machines.

The guidance confirms what was widely understood to be the position that the following are exempt from VAT:

- bets accepted by licensed retail bookmakers;
- on-course bets
- authorised tote betting
- bets entered into by licensed remote bookmakers and commission earned by licensed remote betting intermediaries
- tickets or coupons for a lottery and
- bingo tickets and raffle tickets.

The second guidance note issued by Revenue sets out how the amount of VAT liability for gaming machines and amusement machines is calculated. It also confirms that income received from the hiring or leasing out of gaming machines or amusement machines is subject to VAT at the standard rate of 23%.

Both guidance notes are to be read in conjunction with the VAT Consolidation Act, 2010.

The full briefings from Revenue can be found [here](#).

For more information please contact any member of A&L Goodbody's [Betting, Gaming & Licensing team](#).

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