

Lucky Spin

MACHINE GAMES DUTY (MGD)

Understanding what to do when you have machines that give cash prizes in your pub

This guide is interactive







CONTENTS



You may have to pay Machine Games Duty (MGD) if you have machines that give cash prizes (such as slot, fruit or quiz machines) on your premises.








This guide will cover:

-  **Registration**
Details about how and when you need to register for Machine Games Duty (MGD).
-  **Filing Your Return**
How and when to file your Machine Games Duty return, and what happens after.
-  **How Much You Pay**
Information about the different Machine Games Duty rates available.
-  **Changing Your Details or Cancelling**
What to do if you want to change your personal details or cancel your registration.

WHO MUST REGISTER AND PAY



You're responsible for registering, reporting and paying Machine Games Duty if you're the current holder of any of the following for the premises:

-  Licence for gambling / sell alcohol
-  Club premises certificate
-  Club registration certificate
-  Club gaming / machine permit
-  Prize gaming permit / amusement permit
-  Family entertainment centre gaming machine permit
-  Bookmaking office licence / bingo club licence

If you are unsure, please check with your pub owning business or landlord.

WHO MUST REGISTER AND PAY



There are different rules if you're the tenant of a pub. You're responsible for Machine Games Duty, rather than the premises licence owner (usually the pub's owner).

If the premises is not licensed, it is usually the manager or owner who must register. You're not responsible for the duty if you only supply the machines.

You do not pay the duty on any of the following:

Machines where the prize is less than the cost to play

Takings from charity events, tournaments or lottery machines

Machines for domestic use

Takings from machine games are exempt from VAT if you pay Machine Games Duty.

REGISTRATION



If you're responsible for the duty you must:

- 1 **Register for Machine Games Duty** at **least 14 days** before you make your machines available to play.
- 2 Work out what you owe and send HMRC a return **every 3 months**.
- 3 Pay what you owe **within 30 days** of sending a return.
- 4 Keep records of the takings from your machine games and your returns for **4 years**.







YOU MUST HAVE AN HM REVENUE AND CUSTOMS (HMRC) BUSINESS TAX ACCOUNT TO REGISTER. IF YOU DO NOT HAVE ONE, YOU CAN CREATE A BUSINESS TAX ACCOUNT.



WHAT YOU'LL NEED



Once signed in, to register for Machine Games Duty you'll need:

-  Any licence or permit numbers for your premises
-  Your Unique Taxpayer Reference (UTR), if you're registered for Self Assessment or Corporation Tax
-  Your VAT number, if you're registered for VAT
-  Your National Insurance number
-  To know how many machines you have
-  Your accountant's Machine Games Duty agent reference number and postcode, if you want them to file returns on your behalf



If you include your email address when you register you'll get reminders when your returns are due.



HOW TO REGISTER



Click here to register your machine now

REGISTER NOW



Fill in and send the registration form if you want to file paper returns.

After you've registered, you will need to:

- Work out what you owe and **file a return every 3 months.**
- Keep your returns, receipts of your machine takings and details of your calculations for **4 years**



HOW MUCH YOU PAY

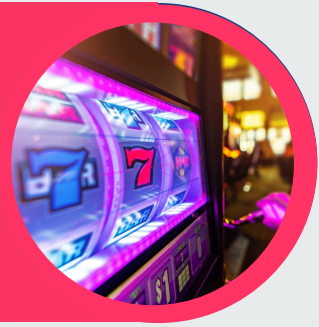


- ✓ You pay Machine Games Duty (MGD) on the total net takings from your machine games.
- ✓ This is what you charge to play the games minus the amount you pay as winnings, including non-cash prizes.
- ✗ You do not pay it on takings from charity events, tournaments, lottery machines or if the machine is for domestic use.

NOTE: If your machine has more than one type of game, you pay the rate for the highest rated game on all takings from the machine.

EXAMPLE: If your machine has 5 games that cost 20 pence to play, and one that costs £6 to play, you'd pay 25% on your net takings from the machine. So if your net takings are £400 you'd pay £100 in duty.

MACHINE DUTY RATES

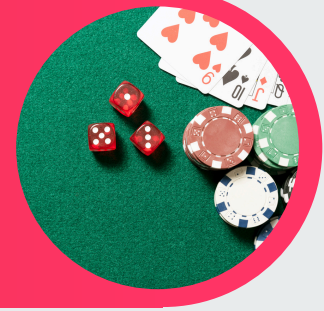


	Cost to play	Prize	Rate you pay
Machine type 1 - lower rate	20 pence or less	£10 or less	5%
Machine type 2 - standard rate	21 pence to £5	£11 or more	20%
All other machine types - higher rate	More than £5	Any	25%



REMINDER: You don't pay any duty on machines where the prize is less than the cost to play.

FILING YOUR RETURNS



You must file a Machine Games Duty (MGD) return every 3 months. Your return is due within 30 days of the end of the accounting period.

You will need:

Records of your total net takings from machine games

Details of how you worked out the figures

You must still send a return even if you do not owe anything, or your business has not traded during the accounting period for any reason. Enter '0' in all boxes.

Pay your Machine Games Duty bill within 30 days of the end of your accounting period.

You **MUST** keep your returns, receipts of your machine takings and details of your calculations for **4 years**.

FILING PAPER RETURNS

HM Revenue and Customs (HMRC) will send you paper forms when your return is due. If you do not receive them, contact the helpline.

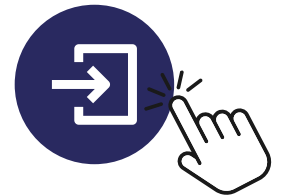
FILE NOW







YOUR DETAILS



SIGN IN TO THE MACHINE GAMES DUTY (MGD) SERVICE TO:



-  Update your personal details
-  Cancel your registration, for example if you're no longer responsible for the duty, you remove the machines or you stop trading
-  Register as part of a group of companies rather than individually
-  Add, change or remove an agent authorised to file returns for you

SWITCH TO FILE ONLINE INSTEAD OF SENDING PAPER RETURNS

If you already have an HMRC online account, **sign in to add the service.**

Otherwise, **register for an HMRC account** and sign up for Machine Games Duty.

You can also **contact HMRC.** You'll need to tell them your registration number.

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