



BRADLEY TAX CONSULTING



Online betting in Ireland

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Background

Prior to Finance Act 2011, betting duty of 1% only applied to bookmakers who are required to have a bookmaking license and who took bets in a betting shop. Betting duty will now be extended to bets taken by electronic means. Further, a new duty of 15% will apply to commissions earned by betting exchanges and a new licensing regime will be introduced for certain book makers and betting intermediaries.

New Provisions

Remote bookmaker's licence duty

It is understood that new legislation will be introduced to regulate online betting by remote bookmakers and this legislation will introduce a requirement to have a license to provide remote betting in Ireland.

A 'remote bookmaker' is a person who engages in bookmaking by remote means ie by way of

- (a) the internet or telephone, or
- (b) any other electronic or other technology for facilitating communication by telegraphy or wireless telegraphy

Once the requirement to have a license comes into effect, a license duty will be charged, levied and paid on every licence issued where the licensee can act and carry on business as a remote bookmaker. The initial excise duty will amount to €5,000. At the time of renewal of the betting license additional duty may be due and this will be based on the level of turnover of the bookmaker. The table below outlines the charge to license duty.

A penalty of €5,000 will be imposed on every person who fails or neglects to pay the proper sum payable in respect of the duty imposed by this section.

Level of annual turnover	Rates of duty
Under €50 million	€5,000
€50 million but less than €75 million	€10,000
€75 million but less than €100 million	€15,000
€100 million but less than €150 million	€20,000
€150 million but less than €200 million	€30,000
€200 million but less than €300 million	€40,000
€300 million but less than €400 million	€60,000
€400 million but less than €500 million	€80,000
€500 million or more	€100,000

Remote betting intermediary's licence duty.

Again, it is expected that a licensing regime will be introduced in respect of remote betting by intermediary's and an initial duty of €5,000 will be charged, levied and paid for and upon every licence to act and carry on business as a remote betting intermediary. On the renewal of every licence, the appropriate rate of excise duty will apply. This will be based upon the level of the annual commission earnings of the remote betting intermediary.

Where it is established that excess duty has been paid, that excess amount shall be refunded by the Revenue Commissioners.

A penalty of €5,000 will be imposed on every person who fails or neglects to pay the proper sum payable in respect of the duty imposed by this section.

Level of annual commission	Rates of duty
Under €3 million	€5,000
€3 million but less than €4.5 million	€10,000
€4.5 million but less than €6 million	€15,000
€6 million but less than €9 million	€20,000
€9 million but less than €12 million	€30,000
€12 million but less than €18 million	€40,000
€18 million but less than €24 million	€60,000
€24 million but less than €30 million	€80,000
€30 million or more	€100,000

Application of betting duty to remote bookmakers.

A separate betting duty shall be charged, levied and paid on and by every remote bookmaker in respect of bets made, laid or otherwise entered into with persons in Ireland. The rate of duty will be 1%

Betting intermediary duty.

As regards betting intermediaries an excise duty, to be known as a betting intermediary duty shall be charged, levied and paid on and by every remote betting intermediary, at the rate of 15 per cent of commission charges.

Commission charges refer to amounts that Irish persons pay to betting exchanges for bets made when using the facilities of a remote betting intermediary.

A penalty of €5,000 will be imposed on every person who fails or neglects to pay any sum payable by him or her in respect of betting intermediary duty.

Betting intermediary duty shall become due when commission is charged by a remote betting intermediary in respect of a bet made using the facilities of the intermediary.

Effective date

These measures come into operation on such day or days as the Minister may appoint by order, and different days may be so appointed for different provisions or for different purposes.