

## **The Machine Games Duty Regulations 2012 (draft)**

### **Explanation of square brackets in the draft**

These Regulations have been published for consultation. The development of the technology which is being designed to support the accounting process for Machine Games Duty (MGD) is at a relatively early stage.

Whilst any part of the draft regulations may be subject to further consideration or amendment as a result of the consultation, this is likely to be particularly the case with regard to the wording in square brackets. Whilst the wording does represent current understanding of how the processes will operate and is therefore provided for information, these points will need to be confirmed once the development of the technological processes has proceeded sufficiently. As such, any text in square brackets is particularly susceptible to change.

**Introduction:** The square bracketed omissions (including those at footnote (b)) will be completed once Finance Bill 2012 has been enacted.

**Regulation 2:** HM Revenue & Customs (HMRC) will provide for registration in advance of the start of the Duty. However, HMRC cannot yet confirm the date that registration will open as this depends on development of the IT.

**Regulation 3:** The definition of 'the Schedule' will be completed once Finance Bill 2012 has been enacted.

**Regulation 12(3):** HMRC is addressing technical IT issues about precisely when and how Direct Debit payments will be collected. The Regulations will need to reflect the resolution of these issues.

**Regulation 13:** As with other taxes and duties, legal provision will be made to allow the correction of errors by those with a liability. HMRC is still developing the process by which it will be required to notify HMRC of any errors and the interaction with the penalty regime.

**Regulation 15(4):** Whether or not those making an electronic return will also be required to pay electronically depends on the resolution of the IT issues mentioned in connection with regulation 12(3). However, HMRC envisage that, in practice, those making an electronic return would not wish to pay other than electronically.

**Regulation 16:** The electronic communications system will be subject to an electronic validation system. The precise details of this are yet to be finalised.

**Regulation 21:** The intention is that group members should be jointly and severally liable for any MGD due. There is an outstanding technical legal issue about how this should be framed in legislation.