



Clauses 83-85

Gambling duties:

83 Rate of remote gaming duty

84 General betting duty on remote bets

85 Abolition of bingo duty

Executive Summary

- Clauses 83 increases the rate on Remote Gaming Duty from 21% to 40% from 1 April 2026.
- Clause 84 introduces a new General Betting Duty charge on remote bets of 25% (with exclusions) from 1 April 2027.
- Clause 85 abolishes bingo duty from 1 April 2026.
- HM Treasury's Budget 2025 Policy Costings document bases revenue forecast using the Gross Gambling Yield. The tax base for Remote Gaming Duty and General Betting Duty is a larger base, which includes the notional stake value of free bets and freeplays.
- Clause 84 and the supporting budget documents do not set out how the new remote rate of General Betting Duty will apply to combination or accumulator bets that combine a mix of the remote rate and non-remote rate.

Overview and background

1. Gambling duties are charged on betting and gaming by customers in the UK. Following reform of gambling duties in 2014, the place of supply of most gambling duties changed from the location of the supplier to the place of consumption, meaning that offshore operators are subject to UK gambling duties for bets placed by customers located in the UK at the time of the bet.
2. The primary legislation in the UK for gambling duties is the Finance Bill 2014. Gambling duties were unaffected by the UK's exit from the EU.
3. Subsection (1) of clause 83 increases the rate of remote gaming duty (RGD) from 21%, (set out in section 155(3) of Finance Act 2014) to 40%, taking effect for periods beginning on or after 1 April 2026, set out at subsection (2). Subsections (3) and (4) clarify the position for supplies that straddle the implementation date of 1 April 2026.
4. Clause 84 amends sections 125 and 126 of FA2014 to introduce a new General Betting Duty charge on remote bets of 25% (with exclusions) from 1 April 2027. The new s.127A sets out the rate (2), definitions of 'bookmaker's profits' (3), 'remote bet' (5), 'remote communication' (6) and 'self-service betting terminal' (8). It states the tax treatment to take where losses arise (4),

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sets out the exclusion for UK horse racing (7). Finance (No 2) Bill 2025 addresses the implementation date (7) and how to account for stakes that straddle the period pre/post implementation (8/9).

5. Clause 85 abolishes bingo duty with effect from 1 April 2026.

CIOT comments

6. CIOT does not take a view on what rates of gambling duty should be applied to operators; those are decisions for ministers.
7. The rate changes relate only to “remote” gambling (such as that which takes place over the internet and via mobile phone applications), which means that from 1 April 2026 businesses that offer a portfolio of both land-based and remote gambling services will pay different rates of tax depending on whether the activity takes place in physical premises (such as Licensed Betting Offices (LBOs)) or via the internet.
8. In [HM Treasury’s Budget 2025 Policy Costings](#) document, it uses the Gross Gambling Yield (GGY) for each relevant gambling duty. GGY is the revenue retained by gambling operators after paying out winnings to customers. However, the tax base for RGD and GBD (defined in FA2014) is a larger base (often referred to as Gross Gambling Revenue - GGR) which includes the notional stake value of free bets and freeplays. In the [Gambling Commission’s definition of terms](#), it states that for GGY *‘Free bets or bonuses are only counted when calculating GGY if the customer has the unrestricted right to opt instead to receive a cash equivalent to the value of that free bet or bonus.’*
9. If the GGY should not include free bets, Finance Bill 2025-26 would need to be amended to remove the free bets and freeplays rules in FA2014. This would reduce complexity from the legislation and would not be expected to have a financial impact for the Exchequer because the revenue forecast in the Policy Costings document was calculated on this basis.
10. We consider clause 83 for raising the RGD rate change and the position for straddling periods and apportionment for supplies that include the previous periods, to be adequate.
11. Clause 84 and the supporting budget documents do not set out how the new remote rate of General Betting Duty will apply to combination or accumulator bets that combine a mix of the remote rate and non-remote rate; for example, an online bet on a UK horse race taxed at 15% and any other sports bet taxed at 25%, which could be separate legs of a combined accumulator bet. We recommend that provisions for more complex combination transactions are added to the legislation to aid clarity and certainty or that HMRC provides clear guidance on valuation/apportionment ahead of the implementation date of 1 April 2027.
12. We consider the legislation to abolish bingo duty in clause 85 to be adequate.

The Chartered Institute of Taxation

13. The CIOT is the leading professional body in the United Kingdom concerned solely with taxation. The CIOT is an educational charity, promoting education and study of the administration and practice of taxation. One of our key aims is to work for a better, more efficient, tax system for all affected by it – taxpayers, their advisers and the authorities. The CIOT’s work covers all aspects of taxation, including direct and indirect taxes and duties. Through our Low Incomes Tax Reform Group (LITRG), the CIOT has a particular focus on improving the tax system, including tax credits and benefits, for the unrepresented taxpayer.

14. The CIOT draws on our members' experience in private practice, commerce and industry, government and academia to improve tax administration and propose and explain how tax policy objectives can most effectively be achieved. We also link to, and draw on, similar leading professional tax bodies in other countries. The CIOT's comments and recommendations on tax issues are made in line with our charitable objectives: we are politically neutral in our work.
15. The CIOT's 20,000 members have the practising title of 'Chartered Tax Adviser' and the designatory letters 'CTA' and 'CTA(Fellow)', to represent the leading tax qualification.

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