

Stonegate Group

PUB PARTNERS

Machine Games Duty

September 2017

Machine Games Duty (MGD) is a tax which came into effect on 1 February 2013 and replaced Amusement Machine Licence Duty (AML) and VAT previously charged on the income from gaming machines and SWPs.

MGD is chargeable on all machines where a cash prize paid from the machine exceeds the stake. For pubs this applies to Category C and D machines (also known as AWP or Fruit Machines) and Skill with Prize machines (also known as SWPs or Quiz Machines).

This is at a rate of 20% of net cashbox for machines with stakes over 21 pence or cash prizes over £11 (the majority of fruit and SWP machines in pubs). There is a 5% rate for machines with stakes below 20 pence and prizes of £10 or less. MGD needs to be declared and paid to HMRC quarterly.

The person or business that is responsible for premises where these machines are played is legally responsible for MGD, so if you intend to install one, you must register with HM Revenue & Customs (HMRC). If you are a multiple publican you only need to register your primary place of business and not each pub.

Registration can be done either online at www.gov.uk/machine-game-duty/register or you can request a postal application form by telephoning the Excise Helpline on 0845 010 9000. Once registered you do not need to reregister if you install additional machines or take on additional pubs.

Registration is free and you should apply as soon as possible so that HMRC has plenty of time to process your information.

Once HMRC has accepted and processed your application; you will be placed on the MGD register and will then receive your MGD registration number. You will be able to view it online by using a post code search of the register and a copy will be sent to you in the post.

Stonegate Pub Partners will require a copy of your MGD Registration Certificate or a copy of the post code search confirmation prior to a new agreement being produced.

More information on MGD can be found at www.gov.uk/machine-game-duty.