

# MGD – Time to Act

- On 1 February 2013, AMLD and VAT on gaming machine income was replaced by a single tax; Machine Games Duty (MGD)
- MGD will apply to any machine where a cash prize greater than the stake can be won; for most of our customers this will be AWP's (fruit machines) and SWP's (quiz machines)
- There are two separate rates of MGD; a standard rate of 20% and a lower rate of 5% where the maximum stake is no more than 10p and the maximum prize is no more than £8
- All locations offering gaming machines for play are required to register for MGD; the responsibility for registration and payment of MGD lies with the premises license holder;
  - For managed pubs this will usually mean the parent company will make a group registration
  - For other pubs, this will usually mean the tenant, lessee or freeholder has to register individually
- Registration must be made with HM Revenue and Customs (HMRC) in a similar manner to that used for VAT. Further details regarding registration and payment can be found online at [www.hmrc.gov.uk/machinegamesduty](http://www.hmrc.gov.uk/machinegamesduty)
- Registration must be completed within 14 days of making machine games available for play.
- Machines subject to MGD will be exempt from VAT, and this may affect your ability to recover input VAT on items such as machine rentals. You should consult your tax adviser or accountant regarding this
- Sceptre will calculate MGD each time a collection is made, and the amount will be either left on site or remitted to the person responsible for paying the tax
- If you have any further questions regarding MGD, please email [mgd@sceptreleisure.co.uk](mailto:mgd@sceptreleisure.co.uk)