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Class B Bookmakers

30 November 2016

Directive 18/2016

Calculation and Payment of Betting Tax and Contribution

According to section 11(b) of the Betting Law 2012, L. 106(I)/2012, as amended or replaced from time to time (hereinafter referred to as the “Law”), the National Betting Authority (hereinafter the «Authority») has the power to draft and issue Regulations and Directives for the best possible application of the Law. Directive No. 18/2016 is drawn up on the basis of the provisions of sections 71 and 73 of the Law regarding the calculation of betting tax and contribution, as well as the payment obligation.

2. The Authority, according to the provisions of section 71 of the Law, particularly subsections 5 to 8 of the said section, clarifies the following regarding the calculation of the betting tax and contribution:

Subsection 5, the amount of net proceeds from a bet from a Class B licensed bookmaker, for a particular accounting period, is equal to “X” minus “Y”, where –

- (a) “X” is the total amounts paid to the Class B licensed bookmaker or authorised representative in a particular accounting period, in relation to bets carried out by him, and
- (b) “Y” is the total amounts paid by the Class B licensed bookmaker or authorised representative in that particular period, as winnings to persons who bet, irrespective as to when the bets were placed or played.

Subsection 6, when calculating the amount owed to a player in relation to a bet, other benefits obtained by the player are taken into account and the expenses of the licensed Class B bookmaker are not taken into account.

Subsection 7, where a person participates in a bet within the scope of an offer that permits him not to pay an amount, or to pay an amount less than the amount he should have paid if the offer were not available, it is considered for the purposes of the present Part that he is obliged to pay this amount to the licensed Class B bookmaker and authorised representative at the time the bet was placed.

As a consequence, during the calculation of the betting tax and contribution, the Class B licensed bookmaker will include to the “X” the amount of the offer to the player in a particular accounting period when he (the licensed bookmaker) gave it to the player, and the player conducted betting with it, and then he (the licensed bookmaker) will deduct it from the “Y” in the particular period when he (the licensed bookmaker) will pay the winnings to the player. It is stated that the player will be able to withdraw winnings on first demand.

Subsection 8, for the purposes of paragraph (b) of subsection (5) –

(a) The reference to the payment of amounts to a player includes reference to the maintenance of amounts on behalf of the said player in the event he may withdraw the same on first demand. Consequently, the licensed bookmaker will be counting the amount that he will pay to each player to the “Y”, on the withdraw of the latter’s money.

(b) The return of a betting amount is considered as payment of winnings. Consequently, in the event that the licensed bookmaker will void the bet, as it is provided in his regulations, and return the amount to the account of the player, then he (the licensed bookmaker) will count the said amount to the “Y”.

3. As per the provisions of section 73 of the Law, every Class B licensed bookmaker is obliged to pay the Republic of Cyprus, at the end of every accounting period, any amount due as betting tax and the contribution to the Authority, in accordance with the provisions of the present Part. As a consequence, the Authority decided that the licensed bookmaker is able to pay the amount due as betting tax and the contribution to the Authority until the end of the month after the month it concerns (i.e. for the accounting month November 2016, the payment of the tax can be made until the 31st of December 2016).

4. The Class B licensed bookmaker, upon the payment of the betting tax and the contribution, must provide detailed statement for the month concerned, in which the following will be presented:

(a) Unique number of the bookmaker's licence,

(b) Name of the legal entity of the bookmaker or/and trade name,

(c) Total amounts paid to the licensed bookmaker, upon the accounting period concerned, in relation to betting (pay in),

(d) Total amounts of offer to the players,

(e) Total amounts which have been paid by the licensed bookmaker, upon the period concerned, as winnings to the players, regardless of when the bets were carried out or declared (pay out),

(f) Gross Betting Revenue,

(g) Betting Tax (10%),

(h) Amount due in respect of the contribution (2% and 1%).

5. The payment of the betting tax and the contribution will be accepted **ONLY** in either of the following ways:

(a) bank cheque issued to the "Accountant General of the Republic", or

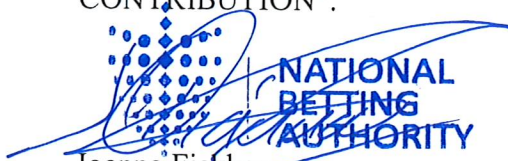
(b) bank transfer to the Account held by the Republic of Cyprus with the Central Bank of Cyprus (code IBAN: CY16 0010 0001 0000 0000 0600 1010 – code SWIFT: CBCYCY2NACC) with indication of the "National Betting Authority" and the name of the company.

6. It should be noted that in the event of a bank transfer, the payment receipt and the detailed statement will be forwarded via email to the email address of the Authority info@nba.gov.cy, with indication of the

name of the licensed bookmaker, the tax and the contribution amounts, as well as the month concerned (i.e. ABC Ltd – Tax and Contribution 11/2016).

7. It is stated that the data presented in the above-mentioned detailed statements, should be the same with the data presented in the computerized system of the Class B licensed bookmaker, to which the Authority has access.

8. The draft detailed statement can be found attached to the present Directive, also uploaded, in Excel format, on the website of the Authority in section “REGULATED ENTITIES/ TAX AND CONTRIBUTION”.



**NATIONAL
BETTING
AUTHORITY**

Ioanna Fiakkou
President



**NATIONAL
BETTING
AUTHORITY**

Tax Statement Class B Bookmaker (Directive 18/2016)

Number of Licence:	
Name of the Legal Entity or/and Trade Name :	
Accounting Period:	

		€
COMPREHENSIVE INCOME (PAY IN)	1	
OVERALL AMOUNT OF OFFER TO THE PLAYERS (BONUS)	2	
TOTAL PROFIT DISTRIBUTION (PAY OUT)	3	
GROSS GAMING REVENUE (GGR)	4	0
TOTAL OF TAX AND CONTRIBUTION	5	0
TAX (10%)	6	0
CONTRIBUTION (2%)	7	0
CONTRIBUTION (1%)	8	0