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*Attn: John McGuinness
Committee Chairman
Dáil Éireann
Kildare Street
Dublin 2*



Ref: betting legislation

15th January 2012

RE: Proposed Betting Legislation

Dear Sir

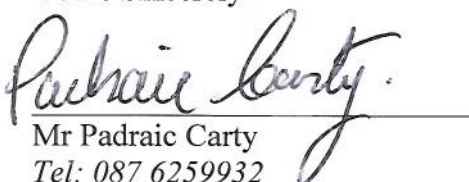
I am currently an On Course Bookmaker with over 30 years experience of betting in Ireland. I have also been actively involved in reviewing and updating current betting legislation which had become obsolete due to modern day betting practices. With the help of government officials much progress has been made in this area and we are now close to seeing new legislation being brought before the government. However I would like to point out a weakness in the proposed legislation that could be potentially very costly for the government.

The area of concern pertains to betting exchanges. A betting exchange is where bets that are placed and 'layed' by individuals are matched against each other. For example if one person wants to back a horse @ 12/1 for €5 then they can place that 'back bet' order and wait for someone else to take the bet. The person who takes the bet is called 'layer' because they 'lay' the bet in an identical fashion to a traditional bookmaker – the layer is in essence a bookmaker except they are operating without a betting licence. Layers should be liable to income tax as per all other bookmakers (layers) in this state. The new legislation does not allow for any tax to be collected on monies earned by these layers, instead betting exchanges will only pay 15% Gross Profit Tax on their **commission**. This commission is completely at the discretion of the exchange and thus tax collected on it could fluctuate greatly.

Essentially I feel that the system allows a person to become a bookmaker for specific chosen selections yet a Bookmaker's License is not required to do this. This exposes a weakness in the proposed legislation allowing huge potential for corruption and tax evading. Therefore I strongly recommend that the new license should require those betting through the betting exchanges who act as layers (i.e. bookmakers) to pay income tax. I would suggest that a system similar to DIRT tax could be applied or alternatively require the exchange to forward their PPS number to the revenue as a means of collecting tax due. This should be made a mandatory part of any betting exchange licence.

I look forward to hearing from you on this matter and I am available at your convenience to discuss in greater detail if you wish.

Yours Sincerely


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