



**Racing
Victoria**

RACING VICTORIA LIMITED

BOOKMAKERS' LICENCE LEVY RULES 2012

AS AMENDED 20 JUNE 2019

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RACING VICTORIA LIMITED
BOOKMAKERS' LICENCE LEVY RULES 2012

1. PRELIMINARY

1.1 Title

These Rules may be cited as the Bookmakers' Licence Levy Rules 2012.

1.2 Purpose

The purpose of these Rules is to make provision for the matters as set out in section 91B of the Racing Act.

1.3 Authorising provision

These Rules are made pursuant to section 91B of the Racing Act, subject to approval by the Minister pursuant to section 91D of that Act.

1.4 Operation

These Rules and any amendments to them come into operation only when approved in writing by the Minister under section 91D of the Racing Act.

1.5 Transitional provision

1.5.1 Definitions

In this Rule 1.5:

“Approval Day” means the day on which these Bookmakers' Licence Levy Rules 2012 come into operation under Rule 1.4.

“Former Rules” means the Bookmakers' Licence Levy Rules 2001 of Racing Victoria and the Bookmakers' Licence Levy Rules 2009 of Racing Victoria immediately before the Approval Day.

“Racing Legislation Amendment Bill” means the Racing Legislation Amendment Bill 2012.

1.5.2 Commencement

These Rules come into operation and effect on and from the beginning of the Approval Day.

1.5.3 [This clause has been deleted due to the repeal of section 91B(3) of the Racing Act on 26 September 2012.]

1.5.4 Preservation of effect, decision, rights and obligations

Everything done, arising or suffered under the Former Rules is deemed to have been done, arisen or suffered under these Rules and, without limiting the generality of the foregoing:

- (a) **Appointments:** all appointments of any persons (including but not limited to Authorised Officers and an Approved Printer) made under or pursuant to the Former Rules are deemed to have been made, and to continue in effect, under or pursuant to these Rules.
- (b) **Decisions made and action taken under the Former Rules:** all decisions made, action taken and discretions and powers exercised under or pursuant to the Former Rules are deemed to be fully effective and to continue in force as if properly and validly made or taken under or pursuant to these Rules.
- (c) **Licences, permits, etc:** all approvals, registrations, authorisations and any other rights or privileges granted under or pursuant to the Former Rules are deemed to continue in full force and effect and upon the same terms and conditions as if properly and validly made under or pursuant to these Rules.
- (d) **Rights, entitlements, obligations and liabilities:** all rights, entitlements, obligations and liabilities (including of a pecuniary nature) arising, accruing or incurred under or pursuant to the Former Rules are deemed to have arisen, accrued or been incurred under or pursuant to these Rules.
- (e) **Offences:** any offence under or breach of the VRC Rules is deemed to be an offence under or breach of these Rules.
- (f) **Penalties and disabilities:** all penalties, disabilities, disqualifications, suspensions and obligations of any kind (including fines and other pecuniary obligations) imposed, incurred or arising under or pursuant to the Former Rules are deemed to be imposed, incurred or to arise under or pursuant to these Rules.
- (g) **Inquiries, investigations and proceedings:** all inquiries, investigations and other proceedings of any nature initiated or conducted under or pursuant to the Former Rules are deemed to be initiated or conducted under or pursuant to these Rules.

2. DEFINITIONS AND INTERPRETATION

2.1 Definitions

In these Rules:

“Approved Betting Event” has the same meaning as in the Racing Act.

“Approved Printer” means a person approved by the Directors pursuant to Rule 8.1 as a printer of and distributor of Betting Tickets.

“Betting Book”, except in Rule 6.7, includes a record of a Betting Transaction or of the issue of a Betting Ticket by means of a Computerised Betting System.

“Betting Ticket” includes any document or thing purporting to be or usually or commonly known as a betting-ticket or giving or purporting to give or usually or commonly understood to give any right, title, chance, share, interest, authorisation or permission in or in connection with any Betting Transaction.

“Betting Transaction” means a contract between a Bookmaker and a customer, by which a bet or wager is placed with and accepted by the Bookmaker.

“Cash Bet” means a Betting Transaction in respect of which the total amount of the Betting Transaction is paid to or otherwise held by the Bookmaker before or at the time that the Betting Transaction is entered into.

“Customer” means any person or entity, including any bookmaker or Relevant WSP, who enters a Betting Transaction with a Bookmaker.

“Credit Bet” means a Betting Transaction other than a Cash Bet.

“Directors” means the directors of Racing Victoria acting as a board.

“Free Bet” means the face value of a Betting Transaction where the Customer does not make a financial contribution at the time the Betting Transaction is made. For the avoidance of doubt, a Free Bet does not include any Betting Transaction:

- (a) which constitutes a bad or doubtful debt of the Bookmaker;
- (b) in respect of which payment is subsequently waived, compromised, released or forgiven by the Bookmaker; or
- (c) where there is an amount paid, refunded or credited to the Customer by the Bookmaker in relation to a non-winning Bet Taken including, for example, "money back offers".

“Future Bet” means a Betting Transaction that constitutes Future Double Betting or Future Win/Place Betting but not Future Sports Betting.

“Future Double Betting” means betting made by the nomination of a horse or greyhound or a combination of two horses or two greyhounds on the chance that such horse or horses or greyhound or greyhounds will fill first place or fill first, second or third places in two specified races providing at least one of the races is decided at a race meeting conducted on a day after the day the Betting Transaction is entered.

“Future Sports Betting” means betting made by the nomination of a result of a betting contingency under section 4(1)(b) of the Racing Act where the result is to be decided 35 days or more after the day on which the Betting Transaction is entered.

“Future Win/Place Betting” means:

- (a) a Betting Transaction entered into with a Bookmaker who is authorised by Racing Victoria to accept future win/place bets; and is
- (b) a Betting Transaction where the result is to be decided 35 days or more after the day on which the Betting Transaction is entered; and is
- (c) a Betting Transaction made by the nomination of a horse or greyhound on the chance that such horse or greyhound will fill first place or fill first, second or third place in a specified race, or a Betting

Transaction made by the nomination of a horse or greyhound on the chance that such horse or greyhound will fill first place in three specified races;

- (d) but does not include a Betting Transaction made when the Bookmaker is operating under a club betting permit issued by the Minister.

“Gambling Regulation Act” means the *Gambling Regulation Act 2003* (Vic).

“Levy” means a Bookmaker’s Licence Levy imposed in accordance with these Rules, and includes any interest and penalties imposed in accordance with these Rules and any GST payable by a Bookmaker in accordance with Rule 3.3.

“Licence” means a club bookmaker’s licence as defined in section 84 of the Racing Act which is granted to a Registered Bookmaker by Racing Victoria under the Club Bookmakers’ Licence Rules.

“Month” means calendar month or, where appropriate or relevant, a part of a calendar month.

“Penalty Unit” means the amount as specified for the purposes of Victorian legislation from time to time.

“Period” means a 12 month period commencing 1 August and ending 31 July.

“Racing Victoria” means Racing Victoria Limited ACN 096 917 930.

“Relevant WSP” means a Wagering Service Provider who has obtained, and holds, a current publication and use approval from Racing Victoria in accordance with the Gambling Regulation Act, and until 16 August 2024, includes Tabcorp.

“Rules” means these Bookmakers’ Licence Levy Rules.

“Rules of Racing” means the rules of racing lawfully made and adopted by Racing Victoria from time to time.

“SABB” means the aggregate amount paid by the Bookmaker in a Month under Betting Transactions constituting Sports Bet Backs with a Relevant WSP or another Victorian bookmaker in relation to Betting Transactions constituting Sports Betting.

“Sports Assessable Turnover” is the amount determined in accordance with Rule 3.2.2.

“Sports Bet Back” means the amount of any betting transaction which is made by a Bookmaker on the "backers" side of a betting transaction for the purpose of reducing or laying-off the Bookmaker's liability in relation to an Approved Betting Event.

“Sports Bets Taken” means the aggregate of all amounts paid or contracted to be paid to the Bookmaker under Betting Transactions constituting Sports Betting during a Month. For the avoidance of doubt, Sports Bets Taken:

- (a) includes the amount of any bets which are made by another Wagering Service Provider to lay-off that Wagering Service Provider's liability;

- (b) will be adjusted to reflect any adjustment of the face value of a Betting Transaction to correct an operator error or a systems error;
- (c) includes all amounts paid or contracted to be paid by Customers to the Bookmaker under Betting Transactions, regardless of whether those amounts are ultimately received by the Bookmaker;
- (d) includes Free Bets;
- (e) will not be adjusted to deduct any amount paid, refunded or credited to the Customer by the Bookmaker in relation to a non-winning Bet Taken including, for example, "money back offers", but will be adjusted to reflect a refund of a validly cancelled Betting Transaction under any applicable law; and
- (f) excludes all amounts paid to or credited to the Bookmaker by way of, in connection with, or by way of economic equivalence to commissions, rebates or incentives in relation to the Sports Bets Taken,

in each case during the Month.

“Sports Betting” means betting by way of wagering on any Approved Betting Event pursuant to section 4(1)(b) of the Racing Act.

“Tabcorp” means Tabcorp Holdings Limited ACN 063 780 709.

“Victorian Race” means a thoroughbred horse race:

- (a) scheduled to be held; or
- (b) held,

in the State of Victoria under the Rules of Racing.

“Wagering Service Provider” means a wagering service provider as defined in Chapter 4, Part 2, Division 1A of the Gambling Regulation Act.

2.2 Interpretation

Unless the context requires to the contrary:

- (a) words and expressions used in these Rules have the meaning ascribed to them in the Club Bookmakers’ Licence Rules and the Racing Act; and
- (b) these Rules shall be interpreted in accordance with the provisions of the *Acts Interpretation of Legislation Act 1984*.

3. BOOKMAKERS’ LICENCE LEVY

3.1 Imposition

- (a) A Bookmaker is liable to pay the Levies each Month as calculated in accordance with Rule 3.2.1 in respect of all Betting Transactions in relation to Victorian Races (or contingencies related to Victorian Races).
- (b) A Bookmaker, who is licensed to conduct Sports Betting, is liable to pay the Levy for each Month as calculated in accordance with Rule 3.2.3 in

respect of all Betting Transactions constituting Sports Betting.

- (c) A Bookmaker, who is licensed to conduct Future Sports Betting, is liable to pay the Levy for each Period as calculated in accordance with Rule 3.2.4 in respect of all Betting Transactions constituting Sports Betting.

3.2 Calculation

3.2.1 Levy on Betting Transactions in relation to Victorian Races

In respect of all Betting Transactions conducted by Bookmakers in relation to Victorian Races (or contingencies related to Victorian Races) the Levy is calculated in accordance with Schedule 1.

3.2.2 Calculating Sports Assessable Turnover

Sports Assessable Turnover is worked out in the following way:

Step 1 Work out Sports Bets Taken
Step 2 Work out SABB
Step 3 Subtract Step 2 from Step 1

For the avoidance of doubt, where in any Month SABB exceeds the aggregate of Sports Bets Taken, the Sports Assessable Turnover for that Month is nil.

3.2.3 Levy on Betting Transactions constituting Sports Betting

In respect of Betting Transactions constituting Sports Betting conducted by a Bookmaker who holds a Licence to conduct Sports Betting (except for Sports Betting conducted by a Bookmaker licensed to conduct Future Sports Betting), the Levy is an amount that is equal to 1% of Sports Assessable Turnover.

3.2.4 Levy on Future Sports Betting

In respect of Sports Betting conducted by a Bookmaker who holds a Licence to conduct Future Sports Betting, the Levy for a Period is:

- (a) a fee of \$500 where the Bookmaker's Sports Assessable Turnover for the Period is less than \$100,000;
- (b) a fee of \$1,250 where the Bookmaker's Sports Assessable Turnover conducted by the Bookmaker for the Period is between \$100,000 and \$2,999,999;
- (c) a fee of \$2,500 where the Bookmaker's Sports Assessable Turnover conducted by the Bookmaker for the Period is between \$3,000,000 and \$4,999,999;
- (d) a fee of \$7,500 where the Bookmaker's Sports Assessable Turnover conducted by the Bookmaker for the Period is between \$5,000,000 and \$14,999,999;

- (e) a fee of \$12,500 where the Bookmaker's Sports Assessable Turnover conducted by the Bookmaker for the Period is between \$15,000,000 and \$24,999,999;
- (f) a fee of \$17,500 where the Bookmaker's Sports Assessable Turnover conducted by the Bookmaker for the Period is between \$25,000,000 and \$34,999,999;
- (g) a fee of \$22,500 where the Bookmaker's Sports Assessable Turnover conducted by the Bookmaker for the Period is between \$35,000,000 and \$49,999,999; and
- (h) a fee of \$25,000 where the Bookmaker's Sports Assessable Turnover conducted by the Bookmaker for the Period is in excess of \$50,000,000.

3.3 GST

3.3.1 GST Definition

For the purposes of this Rule 3.3:

- (a) “**GST**” means GST within the meaning of the *GST Act* (as amended).
- (b) “**GST Act**” means the A New Tax System (Goods and Services Tax) Act 1999.
- (c) “**GST Law**” means the GST Law as defined in the GST Act and includes any Act of the Parliament of Australia that imposes or deals with GST.
- (d) Expressions set out in italics in this Rule 3.3 (other than headings) bear the same meanings as those expressions in the GST Act.

3.3.2 Amounts otherwise payable do not include GST

Except where express provision is made to the contrary, and subject to this Rule 3.3, an amount payable pursuant to or in accordance with these Rules in respect of a *taxable supply* represents the *consideration* and the *value* of the *taxable supply* for which the payment is to be made.

3.3.3 Liability to pay any GST

If an *entity* makes a *taxable supply* under these Rules, then the person liable to pay the *consideration* for the *taxable supply* must also pay, at the same time and in the same manner as the *consideration* is payable, the amount of any GST payable in respect of the *taxable supply*.

3.3.4 Reimbursement

If these Rules require the *recipient* of a *taxable supply* to pay, reimburse or contribute to an amount paid or payable by the supplier of the *taxable supply* in respect of an *acquisition* from a third party for which the supplier is entitled to claim an *input tax credit*, the amount required to be paid, reimbursed or contributed by the *recipient* will be the *value* of the *acquisition* by the supplier plus, if the supplier's recovery from the *recipient* is a *taxable supply*, any GST

payable under Rule 3.3.3.

3.3.5 Tax invoice

The supplier must give the *recipient* a *tax invoice* which satisfies the requirements of the GST Act in respect of each payment for a *taxable supply*.

4. PAYMENT OF THE LEVY

4.1 Direct Debit

Except where otherwise approved by the Directors, payment of the Levy by a Bookmaker must be made by direct debit by Racing Victoria pursuant to a direct debit request and a direct debit service agreement which the Bookmaker must enter into with Racing Victoria.

4.2 Time for payment

- (a) The Levy payable under Rules 3.2.1 or 3.2.3 must be paid to Racing Victoria no later than ten (10) days after the end of each Month.
- (b) In relation to the Levy payable under Rule 3.2.4:
 - (i) Racing Victoria will invoice the Bookmaker for the \$500 Levy under Rule 3.2.4(a) prior to the commencement of a Period (or at the commencement of the Licence where the Bookmaker has been granted a Licence to conduct Future Sports Betting during a Period) and such amount must be paid to Racing Victoria no later than ten (10) days after the date of the invoice; and
 - (ii) during the Period, Racing Victoria will issue further invoices to the Bookmaker for the Levy payable under Rule 3.2.4 as required when the Bookmaker's Sports Betting Turnover exceeds the relevant thresholds set out in Rule 3.2.4 minus the amount of any Levy already paid by the Bookmaker under sub-paragraph (i) or this sub-paragraph (ii) during the Period. Such amount must be paid to Racing Victoria no later than ten (10) days after the date of the invoice.

4.3 Unpaid Levy

If the Levy payable by a Bookmaker is not paid when due under Rule 4.2 because of a default by the Bookmaker, then:

- (a) the unpaid Levy becomes a debt due and payable to Racing Victoria and may be recovered by Racing Victoria from the Bookmaker in accordance with these Rules and section 91B(4) of the Racing Act; and
- (b) the Bookmaker must pay interest on the unpaid amount at the penalty rate of interest for the time being payable under the *Penalty Interest Rates Act 1983* computed from the date that the amount became due and payable until the amount (including interest) is paid in full.

4.4 Suspension of Licence

If the Levy remains unpaid more than seven (7) days after the date upon which it became due and payable the Directors may suspend the Bookmaker's Licence and any approval for an Approved Substitute until the Levy and accumulated interest are paid in full.

5. BETTING TICKETS

5.1 Bookmaker to write or issue

5.1.1 Cash Bets Generally

A Bookmaker who makes a Cash Bet with a person on a Racecourse must:

- (a) **Manual Betting Tickets:** where the Bookmaker has approval to operate a manual betting system, immediately:
 - (i) write out a Betting Ticket in respect of each such Betting Transaction;
 - (ii) cancel the Betting Ticket by entering on the Betting Ticket the particulars of the Betting Transaction; and
 - (iii) issue the Betting Ticket to the Customer; or
- (b) **Computerised Betting System:** immediately issue a Betting Ticket to the Customer by means of a Computerised Betting System.

Penalty: not more than 5 Penalty Units

5.1.2 Future Betting

If a Cash Bet referred to in Rule 5.1.1 is a Future Bet and the Bookmaker has approval to operate a manual betting system:

- (a) the writing or denoting of more than one Future Bet on a Betting Ticket as prescribed by the Directors for that purpose is sufficient compliance with Rule 5.1.1; and
- (b) the Bookmaker must cause carbon copies of all the entries made on the original part of the Betting Ticket to be made simultaneously on the duplicate and triplicate parts respectively and must deliver the original part of the Betting Ticket to the Customer.

Penalty: 5 Penalty Units.

5.2 Telephone or Internet Betting

The requirements of Rule 5.1 with respect to the writing out or issuing of Betting Tickets, other than Future Bet Betting Tickets, do not apply to Betting Transactions made using a method of communication approved under section 4A of the Racing Act.

5.3 Requirements regarding Betting Tickets

A Bookmaker must not use or issue a Betting Ticket for the purposes of Betting unless:

- (a) **Form of Betting Ticket:** the Betting Ticket:
 - (i) has been manufactured by an Approved Printer in the form and dimensions prescribed by the Directors; or
 - (ii) is issued by means of a Computerised Betting System and is in the form and dimensions prescribed by the Directors; and
- (b) **Name and sequential number:** the Betting Ticket:
 - (i) has the Bookmaker's name and a sequential number printed on the Betting Ticket; and
 - (ii) does not bear the name of another Bookmaker.

Penalty: not more than 5 Penalty Units

5.4 Special requirements regarding Future Bet Betting Tickets

- (a) A Future Bet must be recorded on a Future Bet Betting Ticket.
- (b) Not more than 6 Future Bets may be entered on any one Future Bet Betting Ticket and a separate Future Bet Betting Ticket must be issued to each Customer.
- (c) All Future Bet Betting Tickets must be produced in triplicate.
- (d) Each part of a Future Bet Betting Ticket, other than a Future Bet Betting Ticket issued by means of a Computerised Betting System, must be distinguished by colour, an identifying mark or otherwise from any other part of the same Future Bet Betting Ticket.
- (e) A Future Bet Betting Ticket must not be issued unless it has a sequence number printed on each part of the Future Bet Betting Ticket.

5.5 Prohibition on possession and transfer of Betting Tickets

5.5.1 Possession of another Bookmaker's Betting Tickets

A Bookmaker must not possess a Betting Ticket on which the name of some other Bookmaker is or has been printed, unless the Betting Ticket is held by the Bookmaker in respect of a Betting Transaction entered into with the other Bookmaker.

Penalty: not more than 5 Penalty Units

5.5.2 Transfer to another Bookmaker

A Bookmaker or a person on behalf of a Bookmaker must not sell or transfer a Betting Ticket to any other Bookmaker or to a person on behalf of any other

Bookmaker, other than for the purpose of collecting the amount of any winning bet represented by the Betting Ticket.

Penalty: not more than 5 Penalty Units.

6. BETTING BOOKS

6.1 Details of race meeting, etc

- (a) The Bookmaker must write or otherwise clearly indicate on the top of each page of a Betting Book, or record by means of a Computerised Betting System:
 - (i) the name and date of the race meeting at which that Bookmaker is carrying on his or her vocation as a Bookmaker;
 - (ii) the Bookmaker's own name;
 - (iii) the names of all Bookmaker's Key Employees and other employees or assistants assisting him or her;
 - (iv) the name of the part of the Racecourse in which that Bookmaker is operating; and
 - (v) except in the case of a Computerised Betting System, the series and commencing number of his or her Betting Tickets.
- (b) Before recording a Betting Transaction on a sporting event, a Bookmaker must write or otherwise clearly indicate on the page of his or her Betting Book or record by means of a Computerised Betting System the name of the sporting event and any additional information that will clearly identify the nature of the Betting Transaction.

6.2 Recording of Betting Transactions

6.2.1 Betting Transactions other than Future Bets

In respect of all Betting Transactions made with a Bookmaker (whether as a Cash Bet or a Credit Bet) other than Future Bets, the Bookmaker must forthwith enter in a Betting Book or cause a Bookmaker's Key Employee employed in that behalf to enter forthwith in a Betting Book:

- (a) particulars of the Betting Transaction, including figures representing dollars and fractions of a dollar;
- (b) the number of the Betting Ticket issued to the Customer in respect of the Betting Transaction; and
- (c) in the case of a Credit Bet, the surname and initials of the Customer.

6.2.2 Future Bets

In respect of all Future Bets made with a Bookmaker (whether as a Cash Bet or

a Credit Bet), the Bookmaker must:

- (a) cause to be entered forthwith (and by no later than the commencement of the event the subject of the Future Bet) in his or her Betting Book:
 - (i) the name of the Future Bet event;
 - (ii) the numbers and names of the competitors in each leg of the event;
 - (iii) the amount of the Future Bet in figures (representing dollars and fractions of dollars);
 - (iv) the number of the Betting Ticket issued in respect of the Future Bet; and
 - (v) in the case of a Credit Bet, the surname and initials of the Customer; and
- (b) keep in respect of each Future Bet made with the Bookmaker a triplicate copy of the Betting Ticket written or issued and cancelled pursuant to Rule 5.1 and lodge a triplicate copy with Racing Victoria at the conclusion of the race meeting at which the Future Bet was made with the Bookmaker.

6.3 Betting Transactions with other Wagering Service Providers

- (a) If a Bookmaker enters a Betting Transaction with any Wagering Service Provider (whether or not that entity or person is a bookmaker who holds a Licence or is a Relevant WSP), the Bookmaker must, whether payment is then made or not, enter or cause to be entered in his or her Betting Book:
 - (i) particulars of the Betting Transaction entered into;
 - (ii) identifying details of the Wagering Service Provider with whom the Betting Transaction is entered into;
 - (iii) the number of the Betting Ticket (if any) received by him or her;
 - (iv) whether that Betting Transaction was entered into with:
 - (A) a bookmaker; or
 - (B) a Wagering Service Provider (who does not hold a Licence or is or is not a Relevant WSP); and
 - (v) if the Betting Transaction was entered into by way of a telephone account, details of the telephone account and transaction sufficient to identify the account and the Betting Transaction.
- (b) Nothing in this Rule 6.3 in any way limits any obligation under these Rules on the part of a bookmaker with whom the Betting Transaction is placed to enter particulars of the Betting Transaction in his or her Betting

Book.

6.4 Recording results

Immediately after each race or event has been decided a Bookmaker must indicate in his or her Betting Book:

- (a) the competitors obtaining first, second and third places; and
- (b) the total amounts held by the Bookmaker and payable by him or her in respect of the race or event.

6.5 Separate identification

All entries must be made in Betting Books so that separate races or events and separate race meetings are clearly defined.

6.6 Penalty for failure to enter correct details

Every Bookmaker who:

- (a) fails to enter forthwith or fails to cause any Bookmaker's Key Employee or Approved Substitute or any other person employed by him or her to enter forthwith in the Betting Book of such Bookmaker the particulars with respect to every Betting Transaction entered into by such Bookmaker as required by these Rules; or
- (b) knowingly makes or causes to be made any false entry in such Betting Book;

is liable for a penalty of not more than 10 Penalty Units.

6.7 Special requirements regarding manual Betting Books

6.7.1 Form

Manual Betting Books must be in the form prescribed by the Directors.

6.7.2 Correcting errors

- (a) When an erroneous entry in relation to any Betting Transaction is made in a manual Betting Book, the erroneous entry must be ruled through and the correct entry must be made immediately below.
- (b) Subject to Rule 6.7.2(a), no alteration or erasure of an entry relating to any Betting Transaction in a manual Betting Book may be made.

6.7.3 Pages to be used in numerical order

- (a) A Bookmaker must use the pages in a manual Betting Book in numerical sequence.
- (b) A Bookmaker must not remove or allow to be removed an original sheet from a manual Betting Book except for the purpose of:
 - (i) forwarding or delivering the original sheet to Racing Victoria; or

- (ii) making an original blank sheet or sheets available for use by another Bookmaker for the purpose of enabling that other Bookmaker to conduct his or her vocation, provided that the Bookmaker removing the original sheet notifies an Authorised Officer within seven (7) days.

6.7.4 Unused pages to be delivered if ceasing to be a Bookmaker

A person who ceases to be a Bookmaker who has in his or her possession or under his or her control an unused page from a manual Betting Book must deliver the unused page to Racing Victoria within 14 days of so ceasing.

6.7.5 Unauthorised possession

Every Bookmaker or other person subject to these Rules who without the authority of the Directors (the proof of which authority shall lie on the defendant) makes or sells or supplies or has in his or her possession without lawful excuse any book or paper purporting to be a Betting Book or part of a Betting Book in the prescribed form or simulating or resembling such a Betting Book or part of such a book is liable to a penalty of not more than 10 Penalty Units.

6.7.6 Improper form of Betting Book

Every Bookmaker or person employed by or acting for a Bookmaker, including an Approved Substitute, who:

- (a) uses as a Betting Book any book or paper other than a Betting Book in the prescribed form; or
- (b) contravenes or fails to comply with any of the provisions of this Rule 6.7 relating to the use of Betting Books,

is liable to a penalty of not more than 10 Penalty Units.

7. REPORTING BY BOOKMAKERS

7.1 Provision of information at race meetings

A Bookmaker must at each race meeting:

- (a) provide and make available to an Authorised Officer, including by providing access to the Bookmaker's Betting Book and Computerised Betting System and all information contained therein, details of all Bets and the aggregate amount of all Bets (both Cash Bets and Credit Bets) made by the Bookmaker at the race meeting; and
- (b) provide to an Authorised Officer the prescribed part or parts of all Betting Books used by the Bookmaker at the race meeting.

7.2 Further information and Levy adjustments

7.2.1 Racing Victoria may require information

An Authorised Officer may require any Bookmaker to furnish within such time as the said Authorised Officer thinks fit such further or other information or

particulars (verified, if so required by the Authorised Officer, by statutory declaration), and to provide access to the Bookmaker's records (including the Computerised Betting System), as the Authorised Officer considers necessary in order to satisfy himself or herself of the correctness or otherwise of:

- (a) information obtained from the Bookmaker pursuant to Rule 7.1; or
- (b) the entries in the Betting Book of the Bookmaker,

and the Bookmaker must furnish the same accordingly.

7.2.2 Adjustment to Levy

When Racing Victoria is satisfied, after considering such further or other information or particulars (if any) furnished to it as required by Rule 7.2.1, that in respect of any Month insufficient Levy has been paid, or Levy has been paid in excess, Racing Victoria may:

- (a) amend or cause to be amended the amount of the Levy payable by the Bookmaker; and
- (b) require payment by the Bookmaker (and the Bookmaker must so pay) any further Levy which has become chargeable or may refund to the Bookmaker any Levy which has been paid in excess.

7.3 Evasion

Any Bookmaker who with intent to evade the payment of the whole or part of any Levy payable under these Rules by any means or device evades or attempts to evade the payment of such Levy is liable to a penalty of not more than 10 Penalty Units and in addition a penalty of not more than double the amount of Levy that should have been paid, and in addition to such penalty the Directors may suspend his or her Licence for a period of up to six (6) months.

7.4 Failure to comply

Any Bookmaker who:

- (a) is guilty of any contravention of or failure to comply with any of the provisions of this Rule 7 or of any requirement of the Directors or of an Authorised Officer thereunder; or
- (b) in any statement under this Rule 7 or in answer to any such requirement knowingly supplies any incorrect, incomplete or misleading information or particulars,

is guilty of a breach of these Rules, and for every such breach (where no penalty is expressly provided therefor) is liable to a penalty of not more than 10 Penalty Units.

8. PRODUCTION AND ISSUE OF BETTING TICKETS

8.1 Approved Printer

8.1.1 Approval

The Directors may in writing authorise or approve a person or persons carrying on the trade or business of a printer (but must not authorise any person who is a Bookmaker or Bookmaker's Key Employee) as an Approved Printer of Betting Tickets.

8.1.2 Revocation

The Directors may at any time revoke an approval given under Rule 8.1.1 by notice in writing forwarded by registered post to the last known address of the Approved Printer and the revocation takes effect on the expiration of two (2) days from the posting of the notice.

8.2 Printing

An Approved Printer must not print a Betting Ticket unless it is printed on a blue background pattern, whether or not composed of words or characters, but it is not necessary for a background to be printed on the parts of the ticket where the sequence number and the Bookmaker's name is printed.

8.3 Supply by Approved Printer

- (a) An Approved Printer must not supply Betting Tickets to a person or overprint any name or other particulars for a person other than to or for a person who is, or the duly accredited agent of a person who is, the holder of:
 - (i) a current Registered Bookmaker's Certificate; or
 - (ii) approval from Racing Victoria to be an Approved Substitute.
- (b) A person requesting an Approved Printer to supply or overprint Betting Tickets must produce a current Requested Bookmaker's Certificate, or written approval from Racing Victoria to be an Approved Substitute if requested by the Printer, and the Printer may refuse to overprint or supply Betting Tickets to that person if the person does not produce a certificate or written approval when requested.

8.4 Spoilt or mis-used Betting Tickets

If any Betting Tickets, while in the possession of an Approved Printer, are inadvertently spoiled, obliterated or by any means rendered unfit to be supplied to a Bookmaker, the Approved Printer must immediately destroy such Betting Tickets.

8.5 Approved Printer's Betting Tickets register

An Approved Printer must maintain a register in which the Approved Printer must

enter particulars of:

- (a) all Betting Tickets supplied to Bookmakers; and
- (b) the balance of Betting Tickets from time to time on hand.

8.6 Supply of Betting Tickets

An Approved Printer must within seven (7) days of the end of each calendar month provide in a form prescribed by the Directors a statement of all Betting Tickets issued (whether to a Bookmaker or not), which statement must include:

- (a) the full name of every Bookmaker to whom Betting Tickets have been issued;
- (b) the date of issue;
- (c) the serial numbers of the Betting Tickets issued to each Bookmaker; and
- (d) the range of the sequential numbers of the Betting Tickets issued.

9. PRODUCTION AND INSPECTION

9.1 Production and inspection of records

An Authorised Officer may require any Bookmaker or any of his or her employees at any reasonable time or at any place to produce for inspection any Betting Tickets whether written out or not, the Computerised Betting System or any manual Betting Books and other documents and things relating to the making and recording of Betting Transactions (including any racebook, card, paper or thing which the Authorised Officer believes on reasonable grounds to have been used to record any Betting Transactions) in his or her possession or control and may inspect and at his or her discretion impound or take any extracts from any such Betting Ticket, Computerised Betting System, Betting Book or document.

9.2 Examination

Every Bookmaker must when so required by an Authorised Officer produce to Racing Victoria for examination and for retention by Racing Victoria for so long as the Authorised Officer deems necessary any Betting Book or Future Bet Betting Tickets and duplicates thereof.

9.3 Assistance

A Bookmaker, Bookmaker's Key Employee or any other employee or assistant of a Bookmaker must provide any and all reasonable assistance requested by an Authorised Officer for the purpose of ascertaining whether the provisions of these Rules are being observed.

9.4 Penalty

- (a) Every person who fails, neglects or refuses to produce for inspection any documents or Computerised Betting System or to give any

assistance when so required pursuant to this Rule 9 or who delays or obstructs any Authorised Officer in carrying out his or her powers or duties under these Rules is liable to a penalty of not more than 10 Penalty Units.

- (b) Where the Directors believe on reasonable grounds that a Bookmaker has failed, neglected or refused to produce for inspection any documents or Computerised Betting System or to give any assistance when so required pursuant to this Rule or has delayed or obstructed any Authorised Officer in carrying out his or her powers or duties under these Rules the Directors may suspend the Bookmaker's Licence for a period of up to six months.

10. APPLICATION OF PROCEEDS OF THE LEVY

The amount of the Levy received by Racing Victoria, including interest on late payments and fines imposed under the Rules but excluding the amount that is paid to the Bookmaking Development Fund established in compliance with section 91C of the Racing Act, shall be retained and applied by Racing Victoria or distributed at the discretion of Racing Victoria as grants to the Victorian thoroughbred racing clubs.

**Made by the Directors
of Racing Victoria Limited**

Chairman

Schedule 1 Levy on Victorian Races

PART A: Calculating the Levy for a Race Meeting

1. Aggregated Assessable Turnover

1.1 On the day of the Race Meeting, is the Aggregated Assessable Turnover of the Bookmaker greater than the Turnover Threshold?

1.1.1 **Yes** – Continue to paragraph 2.

1.1.2 **No** –

(a) Calculate the **Assessable Turnover** for the Race Meeting in accordance with paragraph 3.2.1 (as applicable depending on the type of Betting Transactions offered on the Race Meeting).

(b) The Levy payable for the Race Meeting in relation to Betting Transactions will be 1% of the Assessable Turnover for that Race Meeting.

2. Levy on Betting Transactions taken on the Race Meeting

2.1 The Levy payable for the Race Meeting will be the greater of the amount calculated in accordance with paragraph 2.2) and the amount calculated in accordance with paragraph 2.3.

2.2 Turnover Model

2.2.1 Calculate the **Assessable Turnover** for the Race Meeting (using for the purposes of this sub-paragraph 2.2.1 and sub-paragraph 2.2.2, only Betting Transactions which are Fixed Odds Bets):

(a) Work out **Bets Taken** on the Race Meeting.

(b) Work out **EPMB** for the Race Meeting.

(c) Work out **AB** for the Race Meeting.

(d) **Assessable Turnover = Bets Taken + EPMB – AB**

2.2.2 Multiply the result of the formulae in sub-paragraph 2.2.1(d):

(a) If the Race Meeting is a **Standard Meeting**, by 0.016.

(b) If the Race Meeting is a **Group and Listed Meeting**, by 0.02.

(c) If the Race Meeting is a **Premier Meeting**, by 0.025.

2.2.3 Calculate the **Assessable Turnover** for the Race Meeting (using for the purposes of this sub-paragraph 2.2.3 and sub-paragraph 2.2.4, only Betting Transactions which are Tote Derivative Bets):

(a) Work out **Bets Taken** on the Race Meeting.

(b) Work out **EPMB** for the Race Meeting.

(c) Work out **AB** for the Race Meeting.

(d) **Assessable Turnover = Bets Taken + EPMB – AB**

2.2.4 Multiply the result of the formulae in sub-paragraph 2.2.3(d):

- (a) If the Race Meeting is a **Standard Meeting**, by 0.020.
- (b) If the Race Meeting is a **Group and Listed Meeting**, by 0.025.
- (c) If the Race Meeting is a **Premier Meeting**, by 0.030.

2.2.5 Add together the amounts calculated under sub-paragraphs 2.2.2 and 2.2.4.

2.3 Gross Revenue Model

2.3.1 Calculate the **Gross Revenue** for the Race Meeting (using for the purposes of this sub-paragraph 2.3.1 and sub-paragraph 2.3.2 only Betting Transactions which are Fixed Odds Bets):

- (a) Calculate the **Assessable Turnover** for the Race Meeting in accordance with paragraph 2.2.1.
- (b) Work out **Free Bets** for the Race Meeting.
- (c) Work out **Bets Paid** in relation to the Race Meeting.
- (d) Work out **Bet Back Revenue** for the Race Meeting.
- (e) Work out **Other Revenue** in relation to the Race Meeting.
- (f) **Pre-Tax Gross Revenue = Assessable Turnover – Free Bets – Bets Paid + Bet Back Revenue + Other Revenue.**
- (g) Work out **GST Adjustment**.
- (h) **Gross Revenue = Pre-Tax Gross Revenue – GST Adjustment**

2.3.2 Multiply the result of the formulae in sub-paragraph 2.2.1(d):

- (a) If the Race Meeting is a **Standard Meeting**, by 0.16.
- (b) If the Race Meeting is a **Group and Listed Meeting**, by 0.20.
- (c) If the Race Meeting is a **Premier Meeting**, by 0.25.

2.3.3 Calculate the **Gross Revenue** for the Race Meeting (using for the purposes of this sub-paragraph 2.3.3 and sub-paragraph 2.3.4 only Betting Transactions which are Tote Derivative Bets):

- (a) Calculate the **Assessable Turnover** for the Race Meeting in accordance with paragraph 2.2.3.
- (b) Work out **Free Bets** for the Race Meeting.
- (c) Work out **Bets Paid** in relation to the Race Meeting.
- (d) Work out **Bet Back Revenue** for the Race Meeting.
- (e) Work out **Other Revenue** in relation to the Race Meeting.
- (f) **Pre-Tax Gross Revenue = Assessable Turnover – Free Bets – Bets Paid + Bet Back Revenue + Other Revenue.**
- (g) Work out **GST Adjustment**.
- (h) **Gross Revenue = Pre-Tax Gross Revenue – GST Adjustment**

- 2.3.4 Multiply the result of the formulae in sub-paragraph 2.2.1(d):
- (a) If the Race Meeting is a **Standard Meeting**, by 0.20.
 - (b) If the Race Meeting is a **Group and Listed Meeting**, by 0.25.
 - (c) If the Race Meeting is a **Premier Meeting**, by 0.30.
- 2.3.5 Add together the amounts calculated under sub-paragraphs 2.3.2 and 2.3.4.

3. General principles

- 3.1 In calculating the Levy under this Part A referable to a Race Meeting during a Month, only Betting Transactions entered by the Bookmaker (and not by any Related Entity of the Bookmaker) should be taken into account.
- 3.2 In calculating the Assessable Turnover under paragraph 2.2.1 or 2.2.3, if AB is greater than the sum of Bets Taken and EPMB, the Assessable Turnover for the Race Meeting will be nil.
- 3.3 RVL may from time to time (and at its absolute discretion), give a notice in writing to the Bookmaker reducing the percentages referred to in some or all of clauses of this Schedule 1. The reduction may be for a specified period or an unspecified period.

PART B: Aggregated Multi-Event/Multi-Leg Bets

4. Calculating AMB

- 4.1 Subject to paragraph 4.1.1, **AMB** in relation to a Month is the aggregate of the following:
- 4.1.1 2.5% of the Eligible Portion of each Multi-Event/Multi-Leg Bet (which is a Fixed Odds Bet) in respect of a Victorian Race which occurs outside the Month but where that Betting Transaction resulted within the Month as a consequence of a Victorian Race or other event which occurred within the Month; and
 - 4.1.2 3% of the Eligible Portion of each Multi-Event/Multi-Leg Bet (which is a Tote Derivative Bet) in respect of a Victorian Race which occurs outside the Month but where that Betting Transaction resulted within the Month as a consequence of a Victorian Race or other event which occurred within the Month.
- 4.2 Where paragraph 5 applies in relation to a Bookmaker, the applicable rate in paragraph 4.1 will be 1% rather than 2.5% and 3%.

PART C: Levy payable in respect of a Month

5. Turnover less than or equal to the Turnover Threshold

For a Bookmaker whose Aggregated Assessable Turnover on the last day of the Month is less than or equal to the Turnover Threshold the aggregate Levy payable in relation to the Month are:

Aggregate Levy = the aggregate of the Levies calculated in accordance with paragraph 1.1.2 for each Race Meeting that occurred during the Month + AMB.

6. Turnover exceeds the Turnover Threshold during or prior to the Month

Levy = AL + NPL + AMB

- 6.1 **AL** is the Aggregate Levies.

- 6.2 **NPL** is the aggregate of Levies for Race Meetings during the Month calculated in accordance with paragraph 2.1.

7. **Turnover exceeds the Turnover Threshold during or prior to the Month**

$$\text{Aggregate Levy} = \text{LF} + \text{NPF} + \text{AMB}$$

LF is the aggregate of Levy for Race Meetings during the Month calculated in accordance with paragraph 1.1.2 (that is, the Levy for Race Meetings that occur prior to, and on, the day that the Aggregated Assessable Turnover first exceeds the Turnover Threshold).

NPF is the aggregate of the Levies for Race Meetings during the Month calculated in accordance with paragraph 2.

PART D: Definitions

8. In this Schedule:

8.1 words and expressions defined in the Rules will have the same meaning when used in this Schedule; and

8.2 the following words and expressions will have the following meanings:

AB means the aggregate amount paid, or contracted to be paid, by the Bookmaker under Betting Transactions on Victorian Races at the Race Meeting which constitute Bet Backs with a Relevant WSP.

Aggregated Assessable Turnover on any day (**Relevant Day**) means the sum of the Assessable Turnover of the Bookmaker for each Race Meeting in the Period prior to the Relevant Day.

Aggregate Levies means the aggregate of the Levies calculated in accordance with paragraph 1.1.2 for each Race Meeting that occurred during the Month (that is, the Levies for Race Meetings that occur prior to, and on, the day that the Aggregated Assessable Turnover first exceeds the Turnover Threshold).

AMB is the aggregate of the Levies payable in respect of the Eligible Portions of all Multi-Event/Multi-Leg Bets in respect of Victorian Races which occurred or is scheduled to occur outside the Month but where the relevant Betting Transactions resulted within the Month as a consequence of a Victorian Race or other event which occurred within the Month and is calculated in accordance with Part B of this Schedule.

Assessable Turnover, in relation to a Race Meeting, is the amount determined in accordance with paragraph 1.1.2(a), 2.2.1 or 2.2.3 of this Schedule (as applicable).

Bet Back means the amount of any betting transaction which is made by the Bookmaker on the "backers" side of a betting transaction for the purpose of reducing or laying-off the Bookmaker's liability on a Victorian Race or on Victorian Races held as part of the same Race Meeting.

Bet Back Revenue means the aggregate amount of all winning Bet Backs made by the Bookmaker with Relevant WSPs in respect of Victorian Races at the Race Meeting, but excluding any rebates and commissions received by the Bookmaker in respect of those Bet Backs.

Bets Paid means:

- (a) the aggregate of all moneys paid or credited to Customers by a Bookmaker in respect of winning bets under Betting Transactions other than amounts paid to Customers in relation to:

- (i) winning Multi-Event/Multi-Leg Bets; and
 - (ii) winning Free Bets; and
- (b) EPWMB,
- but in paragraphs (a) and (b), excluding:
- (c) all amounts paid or credited to Customers by way of, in connection with, or by way of economic equivalence to, commissions, rebates or incentives; and
 - (d) taxes, product fees, payments made to racing industry bodies or other costs of the Bookmaker,

in each case in relation to a Race Meeting.

Bets Taken means the aggregate of all amounts paid or contracted to be paid to the Bookmaker under Betting Transactions placed on Victorian Races at a Race Meeting other than amounts paid or contracted to be paid to the Bookmaker in relation to Multi-Event/Multi-Leg Bets. For the avoidance of doubt, Bets Taken:

- (a) includes the amount of any betting transaction which is made by another Wagering Service Provider to lay-off that Wagering Service Provider's liability;
- (b) will be adjusted to reflect any adjustment of the face value of a Betting Transaction to correct an operator error or a systems error;
- (c) includes all amounts paid, or contracted to be paid, by Customers to the Bookmaker under Betting Transactions, regardless of whether those amounts are ultimately received by the Bookmaker;
- (d) includes all Free Bets;
- (e) includes all amounts paid or contracted to be paid to the Bookmaker in relation to Betting Transactions involving two or more contingencies, all of which resulted at the Race Meeting;
- (f) will not be adjusted to deduct any amount paid, refunded or credited to the Customer by the Bookmaker in relation to a non-winning Bet Taken including, for example, "money back offers", but will be adjusted to reflect a refund of a validly cancelled Betting Transaction under any applicable law; and
- (g) excludes all amounts paid to or credited to the Bookmaker by way of, in connection with, or by way of economic equivalence to, commissions, rebates or incentives in relation to the Bets Taken,

in each case in relation to the Race Meeting.

Eligible Portion means, in relation to a Victorian Race which is one of the contingencies forming part of a Multi-Event/Multi-Leg Bet, the amount calculated as follows:

$$\text{the amount paid, or contracted to be paid, to the Bookmaker under the Multi-Event/Multi-Leg Bet} \times \frac{1}{AC}$$

where **AC** means the number of contingencies within the Multi-Event/Multi-Leg Bet.

Eligible Winning Portion means, in relation to a Victorian Race (**Relevant Winning Race**) which is one of the contingencies forming part of a Multi-Event/Multi-Leg Bet, at the election of the Bookmaker (such election to be made in writing to RVL prior to the Commencement Date), either:

- (a) the amount paid or credited to a Customer under the Multi-Event/Multi-Leg Bet
- $$\times \frac{VRO}{AO}$$

where:

VRO means the odds set by the Bookmaker under the Multi-Event/Multi-Leg Bet for the Relevant Winning Race; and

AO means the sum of the odds set by the Bookmaker for all legs of the Multi-Event/Multi-Leg Bet; or

- (b) the amount paid or credited to a Customer under the Multi-Event/Multi-Leg Bet
- $$\times \frac{1}{AC}$$

where **AC** means the number of contingencies within the Multi-Event/Multi-Leg Bet.

EPMB in respect of a Race Meeting, means the aggregate of the following:

- (a) the Eligible Portion of each Multi-Event/Multi-Leg Bet which resulted on a Victorian Race at the Race Meeting; and
- (b) the Eligible Portion of each Multi-Event/Multi-Leg Bet where:
- (i) a Victorian Race at the Race Meeting (**Relevant Race**) was one of the contingencies forming part of the Multi-Event/Multi-Leg Bet; and
 - (ii) the Multi-Event/Multi-Leg Bet resulted on an event (other than the Relevant Race) which occurs within the same Month as the Relevant Race.

EPWMB in respect of a Race Meeting, means the aggregate of the following:

- (a) the Eligible Winning Portion of each Multi-Event/Multi-Leg Bet which resulted on a Victorian Race at the Race Meeting; and
- (b) the Eligible Winning Portion of each Multi-Event/Multi-Leg Bet where:
- (i) a Victorian Race at the Race Meeting (**Relevant Winning Race**) was one of the contingencies forming part of the Multi-Event/Multi-Leg Bet; and
 - (ii) the Multi-Event/Multi-Leg Bet resulted on an event (other than the Relevant Winning Race) which occurs within the same Month as the Relevant Winning Race.

Fixed Odds Bet means a Betting Transaction other than a Parimutuel Bet, a Tote Derivative Bet or a Betting Exchange Bet.

Free Bet means the face value of a Betting Transaction where the Customer does not make a financial contribution at the time the Betting Transaction is made. For the avoidance of doubt, a Free Bet does not include any Betting Transaction:

- (a) which constitutes a bad or doubtful debt of the Bookmaker;
- (b) in respect of which payment is subsequently waived, compromised, released or forgiven by the Bookmaker; or
- (c) where there is an amount paid, refunded or credited to the Customer by the Bookmaker in relation to a non-winning Bet Taken including, for example, "money back offers".

Gross Revenue is, in relation to Non-parimutual Bets the amount received by a Bookmaker for the Race Meeting, calculated in accordance with paragraph 2.3.1 or 2.3.3 (as applicable).

Group and Listed Meeting means a Race Meeting at which at least one of the Victorian Races is a Group and Listed Race (as defined in the Rules of Racing), but excludes Premier Meetings.

GST Adjustment means the net GST actually payable by the Approved WSP in respect of all of the transactions taken into account in determining the Pre-Tax Gross Revenue for the Race Meeting.

Multi-Event/Multi-Leg Bet means a Betting Transaction where:

- (a) the result of the Betting Transaction depends on the combined outcome of a number of events;
- (b) a Victorian Race is at least one of the events on which the outcome of the Betting Transaction depends; and
- (c) in the event that all of the contingencies of the Betting Transaction relate to Victorian Races, at least one of the Victorian Races occurs at a different Race Meeting from the other Victorian Races.

Other Revenue means:

- (a) other revenue received or derived by the Bookmaker in connection with the Race Meeting of the kind or nature specified in the Rules (if any); and
- (b) in the case of a Bookmaker which is a Betting Exchange, any commissions and other fees charged by the Betting Exchange in relation to the Race Meeting.

Premier Meeting means a Race Meeting at which at least one of the Victorian Races is a premier Victorian Race as notified by RVL to the Bookmaker from time to time. At the date of these conditions, the premier Victorian Races are Turnbull Stakes, Caulfield Guineas, Caulfield Cup, Cox Plate, VRC Derby, Melbourne Cup, VRC Oaks, Emirates Stakes, Blue Diamond and Super Saturday meeting.

Pre-Tax Gross Revenue means the amount calculated in accordance with paragraph 2.3.1(f).

Race Meeting means a meeting of Victorian Races.

Standard Meeting means a Race Meeting other than a Group and Listed Meeting or a Premier Meeting.

Tote Derivative Bet means a Betting Transaction in respect of which the odds provided or quoted by the Bookmaker are derived from or calculated or expressed to be by reference to Totalisator Odds.

Turnover Threshold means:

- (a) in all cases other than as described in paragraph (b)

$$\$5 \text{ million} \times \frac{M}{12}$$

where **M** is the number of Months prior to the next occurring 31 July the Bookmaker will hold the Licence; and

- (b) where the Bookmaker is in partnership with other natural persons, each of whom holds a Licence:

i. \$5 million $\times \frac{M}{12} \times P$

where:

M is the number of Months prior to the next occurring 31 July the Bookmaker will hold the Licence; and

P is the number of partners of the Bookmaker constituting the partnership; or, if less:

ii. \$15 million $\times \frac{M}{12}$

where:

M is the number of Months prior to the next occurring 31 July the Bookmaker will hold the Licence.