

NSW Treasury  
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MyLotto24 Limited proudly supports

Dear Sir/Madam,

I would like to thank NSW Treasury for providing myLotto24 Australia with an opportunity to provide feedback to the proposed Point of Consumption Tax (PoCT) on wagering products in New South Wales.

As a leading global provider of lottery betting products, myLotto24 is actively looking at entry to the Australian market. As a result has a strong interest in understanding the plans for taxation and regulation regimes across all state and territory jurisdictions.

The proposed PoCT on wagering in NSW will naturally influence myLotto24's plans for the Australian market. As such, we believe that a common-sense regulatory solution must be adopted in both NSW and across Australia. Where possible, governments should seek to simplify the taxation and regulatory regime for gambling and wagering products – this will assist with compliance and drive down associated costs. The taxation and regulatory responses for wagering must respond to the evolving nature of the wagering industry and to that end we applaud the NSW Treasury for seeking stakeholder views on a potential PoCT.

As a global leader in the lottery betting space, myLotto24 has unique insights about the taxation of wagering in other mature markets across Europe. myLotto24 hopes that state and territory governments, including NSW, take note of these learnings and develop a common-sense regulatory and taxation system.

While myLotto24 prefers that a PoCT did not exist in the Australian market, we appreciate the NSW Government's direction on the proposed PoCT for the wagering sector. To that end, myLotto24 is prepared to support a PoCT that takes into account the following principles:

- 1. Certainty for all stakeholders, including government, consumers and industry:** The harmonisation of taxation of wagering across jurisdictions will provide certainty for all market players. Greater transparency will improve the industry's credibility and provide a level of comfort for market entrants considering entering the Australian market. If a regulatory and taxation system emerges that has different taxes and regulatory requirements across jurisdictions, it will lead to distortions in the market and make compliance



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difficult. This will result in an escalation of costs that would punish consumers and reduce the final amount of tax collected.

2. **Simple tax collection by one agency:** The collection of a PoCT should be carried out by a single collection agency across the states and territories and remitted to the jurisdiction of consumption. This will make compliance easier and simplify collection arrangements.
3. **An even playing field:** To ensure tax reform is fair for all bookmakers, a PoCT for bookmaking products should consider the level of tax existing operators already pay (including all the relevant tax applicable through the Northern Territory gambling tax, corporate tax and GST on revenue). The rate of consumption tax should also take into account the products and market dynamics of the wagering product.
4. **Maintenance of Australian taxation principles:** No other industry pays taxation on turnover, and as result myLotto24 strongly disagrees with a PoCT being applied on takings. Rather, the NSW Government should apply any PoCT on net wagering revenue only – this is the precedent for taxation principles applied by state and federal governments.
5. **Light touch regulation encourages competition and consumer choice:** Onerous regulation will only serve to discourage new entrants into the Australian wagering market, and ultimately stifle competition and drive up prices for consumers. One example of onerous regulation is the proposal to require the identification of the location of the bet, rather than residence. This proposal is beyond the technological capability of industry and be difficult to comply with to a high standard.
6. **Simplifying tax collection:** Requirements for a PoCT should simplify the taxation of wagering across jurisdictions by applying the same rates across different bookmaking products. Further, there should be commonality for the types of permitted deductions across jurisdictions, including GST and bonuses.

We are happy to meet to discuss the contents of this submission further and can be contacted on 0401 545 555 to arrange a meeting.

Yours faithfully,

A handwritten signature in blue ink, appearing to read "Mikael Sundelin".

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#### **About myLotto24**

myLotto24 Ltd is part of [ZEAL Network SE](#) listed on the Prime Standard of the Frankfurt Stock Exchange and was established with the intention of providing consumers with greater access to lottery betting products. myLotto24 Australia is a 100 per cent subsidiary of myLotto24 Ltd.