



## Victorian Commission for Gambling and Liquor Regulation

### Gambling information sheet

# Transfer of gaming machine entitlements

This information sheet provides information to entitlement holders on transferring ownership of gaming machine entitlements.

Entitlements may be transferred from one venue operator to another (or may be allocated by the State) through a transfer scheme.

The State cannot provide any guarantee about how many entitlements will be available through the transfer scheme.

The Victorian Commission for Gambling and Liquor Regulation (VCGLR) administers the transfer scheme through the Entitlement Transfer Market (ETM) which allows venue operators to advertise their wish to transfer or buy entitlements. Transfers of entitlements will not be finalised until the VCGLR records the transfer on the ETM.

The VCGLR has issued all venue operators with a username and password to access the ETM. If you have misplaced your password, you can request the password to be reset by sending an email to [contact@vcglr.vic.gov.au](mailto:contact@vcglr.vic.gov.au).

Negotiations regarding a transfer may take place between an existing entitlement holder and an interested party prior to the transfer being finalised. A person interested in purchasing entitlements must hold a current venue operator's licence before the transfer can be completed. Entitlements being offered for sale must be advertised on the ETM. Exemptions to the entitlement advertising rule exist under Rule 8(a) of the Transfer Rules. The Rules state that an exemption applies:

1. if the transfer of the entitlement is integral to the sale of a gaming business
2. if the transfer is between venue operators who are 'related bodies corporate' under the *Corporations Act 2001 (Commonwealth)*
3. if the transfer is the subject of concluded negotiations for sale, or is not intended to be entered into with an unrelated purchaser on the open market
4. in circumstances otherwise determined by the VCGLR.

Entitlements for transfer may be advertised by other means (for example, newspaper, trade magazines and internet as long as these do not involve the completion of the transfer) but must also be advertised on the ETM unless an exemption applies.

Parties to the transfer must follow the online process to conclude the transfer proceedings. Details need to be completed and submitted to the VCGLR via the ETM. Transfers of entitlements will not be finalised until the VCGLR records the transfer on the ETM.

The VCGLR is responsible for recording the transfer of entitlements once it is satisfied that all the requirements in the Transfer Rules have been met.

To access the ETM, go to the VCGLR website at [www.vcglr.vic.gov.au](http://www.vcglr.vic.gov.au).

## Profit tax

A profit tax applies to a venue operator, in accordance with section 3.4A.18 of the *Gambling Regulation Act 2003*.

If an entitlement is transferred to another venue operator before 16 February 2013, the selling venue operator must pay the State the amount of 75 per cent of the profit from the transfer of the entitlement (if any) which has been made by the operator.

An exemption to this rule exists under section 3.4A.19 of the *Gambling Regulation Act 2003*.

The exemption may be granted if:

- an application for premises approval, planning permit, liquor licence or racing club licence is rejected, and
- entitlements have a geographic area condition in the region or municipal district that the rejected premises approval is or was to be situated.

## Contact

For further enquiries regarding entitlements please contact the VCGLR on 1300 182 457 or [contact@vcglr.vic.gov.au](mailto:contact@vcglr.vic.gov.au).

This publication avoids the use of legal language. Information about the law may have been summarised or expressed in general statements. This information should not be relied upon as a substitute for professional legal advice or reference to the actual legislation. Authorised by the Victorian Government.