

Introduction of U.K. Football Pools on  
an Agency Basis

Memo by the Minister of Finance, Customs & Port

Hon. Ministers will recall that about three years ago (viz. in 1964) it was decided in Cabinet that Government should initiate discussions with the Pools Promoters Association with a view to reaching some form of agreement with them about the terms on which betting in U.K. football pools could be allowed in Malta. Following this decision lengthy negotiations were pursued with the U.K. Football Pools Companies which unfortunately ended up in a stalemate.

During the negotiations consideration was given to the following two alternative proposals:

(i) A "two-stage" betting system providing for the setting up of a Pools Authority in Malta (this could be the Department of Public Lotto) which would accept bets from clients here in the role of principal and would place these bets with the U.K. Pools Company concerned and hold itself out as paying dividends equivalent to those paid by the Company; and

(ii) An Agency scheme providing for the distribution of coupons and the collection of stakes by the Public Lotto Department on payment of a suitable commission by the U.K. Pools Companies.

The first project had to be discarded because it did not ensure that the Malta Pools Authority would pay out dividends only when it was in a position to claim reimbursement from the U.K. Pools Company concerned. In fact the scheme as projected by the U.K. side rendered the local Authority liable to pay dividends to its clients irrespective of whether these clients' coupons had been received and accepted as valid by the Pools firm. The "Agency" system seemed to be more attractive and was preferred by "Finance" to the "Pools Authority" concept. Here again however difficulties were met with mainly because: (a) the U.K. Pools Promoters stood firm on their offer of a 12% commission (which Government considered inadequate) and (b) moreover they

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made the payment of this commission conditional to our refunding the equivalent of U.K. betting duty from the local tax we intended to levy on each coupon.

Another approach has recently been made to the Director of Public Lotto by one of the Pools Companies, namely Zetters International Pools Ltd., about the organization and running of football pools in Malta. Following this new overture "Finance" authorised the Director to make an exploratory move with a view to seeing whether Zetters really meant business. The outcome of this move was encouraging in that Zetters promised that the rate of commission "would certainly be greater than the figure previously discussed" although they seemed to favour the "Pools Authority" concept rather than the Agency system.

Once Zetters are now holding out the prospect of better terms "Finance" feel that there would be no harm in Government agreeing to negotiate again on condition that it will be made clear to the Pools Organization that we are only interested in the possibility of introducing Pools on an Agency basis (the "Pools Authority system" is not acceptable in view of the risks it involves).

Hon. Ministers may wish to agree that action be taken accordingly.

21st February, 1968.

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