



## **Plans announced for strengthened regulation of Syndicates and Racing Clubs**

The British Horseracing Authority (BHA) is today publishing plans to strengthen the regulation of shared racehorse ownership following an industry-wide consultation completed in the autumn of 2020.

The consultation, which formed part of one of the nine key goals for [British racing's recovery plan](#), examined the current risks and opportunities of shared ownership and how they might be addressed through enhanced regulation and improved administration.

The industry plan for shared ownership, which has been developed through consideration of the consultation feedback and further engagement with stakeholders, details 10 key measures to be introduced as part of a phased implementation plan over the next 12 months.

The measures are designed to support public confidence in Syndicates and Racing Clubs and provide a solid foundation for the continued growth of shared ownership.

Key measures within the plans include strengthening the existing Code of Conduct for Syndicates, which was originally introduced in February 2017. The Code requires that all Syndicates which advertise publicly or charge a management fee must provide Syndicate members with a contract that covers specified areas.

These areas will be extended in addition to the BHA increasing its auditing of these contracts. As part of the registration process, and then through on-going spot-checks, the BHA will annually review a proportion of contracts to ensure and monitor compliance with the Code. A Code of Conduct will also be introduced for Racing Clubs.

The BHA will also require that Syndicators disclose the percentage shares held by each member of the Syndicate. Syndicate members will be able to view their own recorded shareholdings through the BHA's Racing Administration system from early 2022.

The plans also build on the existing regulation of shared ownerships which already includes the registration of all individuals who wish to manage, promote or administer a Syndicate or Racing Club. Further information will be sought as part of the registration process to better understand the financial arrangements of each entity and, in the case of a Syndicate receiving a significant amount of prize-money, Syndicators will be asked to outline how and when this will be paid to Syndicate members.

Plans will be developed and tested with Syndicators and Club Managers, which will help ensure the processes and systems that support implementation of the measures are effective, facilitate BHA regulation and simplify ownership administration.



Throughout implementation, each phase will be communicated in advance to all stakeholders with clear lead in times, in addition to help and support for Syndicators and Club Managers in understanding and adapting to the changes.

**Richard Wayman, BHA Chief Operating Officer**, said: “It is vital for the future of our sport that we are able to attract and retain racehorse owners. Syndicates and Racing Clubs clearly have a pivotal role to play in those efforts.

“The consultation responses confirmed that the sport has many extremely well-run Syndicates and Racing Clubs who give their members exemplary levels of service. It is crucial that the public can continue to have confidence in Syndicates and Racing Clubs, which these measures have been designed to support.

“My thanks go to all of those who took part in the consultation and took the time to offer the feedback which has been central in devising this important package of measures.”

**Charlie Liverton, Racehorse Owners Association (ROA) Chief Executive**, said: “Racehorse owners contribute over £30m a month to the rural economy and whether they are sole owners, in a Partnership with friends and family, or part of a Syndicate, their retention is critical to the future of the sport.

“Shared ownership in horse racing is thriving across many racing jurisdictions and ensuring that those joining a Syndicate or Racing Club have confidence in our sport is crucial. The ROA recognises this consultation as an important piece of work to build public confidence and join what is the greatest thrill – ownership of a racehorse.”

**Dan Abraham, Racehorse Syndicates Association (RSA) Chairman**, said: “The consultation conducted by the BHA confirms the outstanding ownership experience available to members of Syndicates and Clubs.

“The BHA's review and strengthening of the regulations related to shared ownership should even further enhance the public's confidence. The appeal of Syndicates and Clubs is stronger than ever and the RSA welcomes the BHA's approach to provide increased protection for members as well as Syndicators and Club Managers.”

## Notes to editors

1. The ten new measures, which will be implemented in a phased approach throughout 2021 and early 2022, are as follows:

### PHASE 1 – For implementation from 1 May 2021

- To extend the Syndicate Code of Conduct to cover new terms, including the acquisition costs of the horses, what will happen in the case of a horse's retirement and the dispute resolution procedure;
- To introduce a new Code of Conduct to cover Racing Clubs;

- To require Syndicators to confirm how and when prize money received following a significant win shall be paid to members; and
- To facilitate the addition of Syndicate members who accumulate bad debt to the forfeit list.

#### PHASE 2 – For implementation in Summer 2021

- To introduce additional questions into the Syndicate registration form to better understand financial arrangements and how upfront costs will be covered; and,
- To begin a sustained campaign to publicise the Codes of Conduct.

#### PHASE 3 – For implementation in early 2022

- To ensure all Syndicate members and their percentage shares are recorded with the BHA;
  - To allow all Syndicate members with  $\geq 2\%$  share access to view their ownership online;
  - To begin auditing a proportion of Syndicate and Racing Club contracts to ensure compliance with the Codes of Conduct; and,
  - To prioritise the improvement of Syndicate and Racing Club administration systems to allow for easier compliance with new regulations and a better ownership experience.
2. A detailed breakdown the of measures including how they will be applied and who is expected to comply, along with a summary of consultation findings, can be found [here](#).
  3. Detailed guidance and support for Syndicators and Club Managers can be found on the BHA website [here](#). Guidance includes access to the new [Syndicate](#) and [Racing Club](#) Codes of Conduct along with their FAQs.
  4. The measures focus on shared ownership in the form of Syndicates and Racing Clubs. Syndicates are a form of ownership where members of a Syndicate share the ownership of one or more horses. Racing Clubs are a form of ownership where members of a Racing Club enjoy some of the benefits of being a racehorse owner, except they do not have any ownership rights of the horse. Instead, the ownership of the horse is retained by the Racing Club itself.