

## SYNDICATES AND RACING CLUB CODE MONITORING

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1. Relevant Syndicates and Racing Clubs must ensure they are in adherence with the [Syndicates Code](#) and [Racing Club Code](#) respectively. To monitor compliance with the Codes, the BHA may request a copy of any relevant contract/terms at any point during the registration of a Syndicate/Racing Club, including as part of the Owner application process.
2. In respect of Syndicates or Racing Clubs asked for a copy of their contract/terms, this should be provided by the Syndicator/Club Manager within 14 days of the date of the request of the BHA. It is the responsibility of the Syndicator/Club Manager to ensure that their contact details held by the BHA are up to date. Syndicators and Club Managers should note that a failure to comply with a requirement imposed on them by the BHA may be a breach of [Rule \(J\)24](#) of the Rules of Racing and could result in disciplinary action, including the suspension or cancellation of the Syndicate or Racing Club.
3. The BHA will review all contracts/terms in line with the checklists provided below. Should the contract/terms provided not meet the requirements of the Codes, guidance will be provided by the BHA as to what amendments are required. Syndicators and Club Managers are required to make any necessary amendments within 28 days and notify all members of the change(s) made at the time the change is completed. Failure to comply may again constitute a breach of [Rule \(J\)24](#) and could result in disciplinary action.
4. With regards to any requests made by the BHA as part of a new Owner application, the Syndicate or Racing Club will not be approved until the BHA is satisfied that the contract/terms meet the requirements of the respective Code.
5. The Checklist below is not conclusive as to what may be required by the BHA to ensure compliance with the relevant Code. It is offered as guidance only.

**SYNDICATE CODE REQUIREMENT CHECKLIST**

Syndicate Code of Conduct Requirement	BHA Requirements - what will the BHA be looking for?
4.0 The Contract	A formal contract must be in place and/or terms available before a member parts with any money.
4.1 A clause that acknowledges that participation in the Syndicate is for enjoyment and does not guarantee a financial return.	The contract/terms will include a clear categoric statement that leaves no room for confusion.
4.2 A clause acknowledging that the Syndicate members will be subject to, and regulated by, certain provisions of the Rules of Racing with explicit reference to the following chapters (which may be subject to change from time to time on notice by the BHA to the Syndicator): (J) Integrity and (L) BHA Investigations and Disciplinary Action.	The contract/terms will include a clear categoric statement that leaves no room for confusion.
4.3 The duration of the Syndicate.	The contract/terms will clearly detail whether the duration of the contract is fixed term or variable and the minimum term/circumstances that could trigger an extension if the latter.
4.4 How and when the Syndicate will come to an end.	For any fixed term Syndicate, the contract/terms will include a clear and obvious end date. For any variable arrangement there should be no ambiguity. The circumstances that will trigger an extension, and how the decision to extend will be made, must be clear.
4.5 The intended plans for any horse(s) should they be retired while owned by the Syndicate.	The contract/terms will indicate what will happen should a horse be retired while in the Ownership of the Syndicate. This must include where the financial liability will lie until the horse leaves the Syndicate.
4.6 If applicable, how members may leave the Syndicate before it comes to an end.	The contract/terms will make clear under what circumstances members may leave the Syndicate and the process that must be followed if applicable. The contract must detail who will carry the financial responsibility and what happens in the event that a Syndicate member defaults.
4.7 Ownership details of each horse registered to the Syndicate, including whether it is wholly owned by the Syndicate or subject to a Lease.	The contract/terms will clearly and unambiguously outline who owns the horse and, if the horse is leased, who the Lessor is.
4.8 The proportionate interest in the Syndicate of each member and any rights each has to sell, lease, transfer or assign their share.	The contract/terms will ensure that the Syndicate member is explicitly aware of their fractional/percentage share in any horse and their rights to sell, lease, transfer or assign their share. Any restrictions on these rights must be clearly stated in the contract.
4.9 If bought at public auction, the sale price of the horse(s) and all associated purchase costs to be passed on to members. If bought privately the cost of acquiring the horse(s) to be passed on to members.	If bought at public auction, the contract/terms will include the hammer price for the horse in addition to any VAT, commissions, vetting, transport, insurance, syndicator's expenses and keep/pre training if passed on to members. If purchased privately any costs that are to be passed on to the members must be outlined.
4.10 The participation costs for each Syndicate member, including whether such cost is fixed or variable and, where relevant, the consequences of any non-payment.	The contract/terms must ensure that the member knows exactly what they will have to pay, both upon joining and throughout the duration of the Syndicate. The contact will clearly detail who pays and in what proportion if the budget is exceeded and what occurs in the case of surplus.

<p>4.11 Details of any remuneration paid to the Syndicator and any third parties, including how it is calculated and the method(s) of payment.</p>	<p>The contract/terms will clearly state how the Syndicator and any third parties will be remunerated whether this is to be a specific management fee or the retention of any surplus funds. If it is the former, the figure should be included in the contract. Any other costs, commissions or expenses should be easy for Members to understand, and all should be stated.</p>
<p>4.12 The name(s) in which the Syndicate bank account is held and the signatories to that account.</p>	<p>The contract/terms will include the names of all signatories along with the name the Syndicate account is held in.</p>
<p>4.13 An obligation to provide a full financial statement for the Syndicate and the process by which any financial surplus or deficit will be credited or charged to the participants.</p>	<p>The contract/terms will include a clear commitment to provide a full financial statement and what it will cover. It should be clear how any surplus or deficit will be calculated and how these will be treated.</p>
<p>4.14 The time at which and procedure by which the statement(s) of the Syndicate's costs recovered, and expenditure will be presented to the members, including the details about any applicable VAT and how prize and appearance money won by the Syndicate will be treated.</p>	<p>The contract/terms will state the frequency at which members can expect to receive financial statements and how quickly they can expect to receive a final statement and settlement (if applicable) following the Syndicate being wound up. The contract/terms must clearly identify how prize and appearance money will be used and/or distributed including the time within which any such distributions will be made following receipt of prize and/or appearance money.</p>
<p>4.15 The insurance details for each horse, including whether the members are the beneficiaries.</p>	<p>The contract/terms will clearly state if insurance is in place or not. It will explain if it is automatically provided as one of the costs of being in the Syndicate or if members opt in or opt out. The beneficiaries should be identified and the Syndicate members should be made aware of what the insurance covers.</p>
<p>4.16 Details of the Trainer(s).</p>	<p>The contract/terms will state the trainer who will be training each horse owned or leased by the Syndicate.</p>
<p>4.17 The Syndicate decision making process relating to the management, training and time and sale of the horse(s).</p>	<p>The contract/terms will outline a clear decision-making process. This will include what powers the members have with regards any decision making. If the Syndicator holds all decision-making powers this must be explicitly stated.</p>
<p>4.18 What process should be followed in the case of a dispute between the Syndicator and a member.</p>	<p>The contract/terms will include a clear statement on the process that should be followed in the case of dispute.</p>

## RACING CLUB CODE REQUIREMENT CHECKLIST

<b>Racing Club Code of Conduct Requirement</b>	<b>BHA Requirement – What will the BHA be looking for?</b>
4.0 The Contract.	A formal contract must be in place and/or terms available before a prospective member parts with any money.
4.1 A clause that acknowledges that participation in the Racing Club is for enjoyment, does not guarantee a financial return, and that members of the Racing Club do not hold any ownership rights in the Racing Club's horses.	The contract/terms will include a clear categoric statement that leaves no room for confusion.
4.2 The duration of the Racing Club membership.	The contract/terms will clearly detail whether the duration of the contract is fixed term or variable and the minimum term/circumstances that could trigger an extension if the latter.
4.3 If applicable, how members may leave the Racing Club before it comes to an end.	The contract/terms will make clear under what circumstances members may leave the Racing Club and the process that must be followed if applicable.
4.4 The Horse(s) registered to the Racing Club.	The contract/terms will include a clear list of the horses registered to the Racing Club.
4.5 Any rights each member has to sell, lease, transfer or assign their membership.	The contract/terms will ensure that the Racing Club member is explicitly aware of their rights to sell, lease, transfer or assign their share if applicable. Any restrictions on these rights must be clearly stated in the contract.
4.6 The participation costs for each member, including whether such cost is fixed or variable and, where relevant, the consequences of any non-payment.	The contract/terms must ensure that the member knows exactly what they will have to pay, both upon joining and throughout the duration of the Racing Club (if applicable) and what the consequences of any non-payment may be.
4.7 The benefits of Racing Club membership including, but not limited to, how any prize and appearance money won will be treated.	The contract/terms will outline the benefits that can be expected by any member. These should include specific reference to how appearance and prize money will be treated.
4.8 The time at which and procedure by which any payments to members will be made.	The contract/terms will include a clear breakdown of what payments will be made to members and at what point this will occur.
4.9 Details of the Trainer(s).	The contract/terms will state the trainer who will be training each horse.
4.10 The Racing Club decision making process relating to the management, training and sale of the horse(s).	The contract/terms will outline a clear decision-making process. This will include what powers the members have with regards any decision making. If the Club Manager holds all decision-making powers this must be explicitly stated.
4.11 What process should be followed in the case of a dispute between the Racing Club Manager and a member.	The contract/terms will include a clear statement on the process that will be followed in the case of dispute.

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