

Ref.: KL/GEN/050/2001

2 February 2001

Miss Flora Tai
Legislative Council Secretariat
Legislative Council Building
8 Jackson Road
Central
HONG KONG

Dear Miss Tai,

Gambling (Amendment) Bill 2001

Thank you once again for the invitation to attend the second meeting of the Bills Committee on 9 January 2001 and be given the opportunity to express our concerns, state our position and answer the questions raised by the Honourable Councillors in the meeting.

We sincerely believe that through this meeting, our Honourable Councillors, officials from the Home Affairs Bureau and the Department of Justice would have an in-depth understanding on the profound and long-term effects the proposed bill on our legitimate operation in Macau.

As a community responsible organization, which has business operations in both Hong Kong and Macau. It is our wish to strengthen the relationship of the two SARs and have a bigger contribution to the worthy causes at both shores. We look forward to a meeting with officials of the Home Affairs Bureau to discuss our proposed cooperation on Mark Six and to seek guidance on other issues.

We would like to reiterate that it is not our Club's objective to encourage gambling. We would not, however, like to see our existing legal and normal operations in Hong Kong be affected by the proposed bill. Apart from the Hong Kong Jockey Club (HKJC) races authorized by the HKSAR Government, we would like to provide an option to the horse racing enthusiasts a legal, reasonable and sensible environment and fulfill their interest. On this framework, we would be willing to discuss and evaluate with HKSAR Government and HKJC any lawful and workable options.

With reference to the letter, dated 4th January, 2001 from Home Affairs Bureau to the Committee [doc. no. CB(2)624/00-01(01)], we would like to state our position and understanding for the kind consideration of the Committee.

The MJC races broadcast through Asia Television (ATV) in Hong Kong
Our view has been clearly stated on page 20 & 21 of our document dated 28th December 2000 [doc. no. CB(2)596/00-01(01)] submitted to the Committee. We also identify with and share the view of ATV as laid down in the document ATV submitted [file no. CB(2)596/00-01(02)].

Besides the concerns on violation of human rights and the freedom of information, we strongly feel:

1. Given the contents and all applicable restrictions do not exceed those of the races in the HKSAR, the broadcast itself is not encouraging gambling.
2. The broadcast of our races is consistent with the community and economic interest of HKSAR and coincide with HKSAR objective to become the information and internet hub in Asia.
3. Should our broadcast be unduly restricted, it will directly affect the "fair competition" between our races and the HKJC races in Macau SAR.
4. If we were to adhere to the requirements pertaining to the broadcast of our races set out in the bill, we will encounter enormous technical difficulties in our production process.

Therefore, on the broadcast of our races through ATV, we would be grateful for a logical solution appended to the Bill.

The Proposed Amendments to Clauses 7 and 8 of the Ordinance

Concerning the proposed amendments, we certainly appreciate the concerns of the Hong Kong SAR Government on the risk of increased future activities in Hong Kong by unauthorized foreign bookmakers. This, however, should not adversely affect the existing legitimate operation of MJC or other Macau SAR organizations in Hong Kong.

If the Hong Kong SAR Government sees fit to regulate the activities of extra-territorial organizations in Hong Kong, under the same policy, it should be also regulate the activities of Hong Kong organizations in other jurisdictions to avoid complaints and grievances from offshore jurisdictions.

As stated in the letter, we welcome the Home Affairs Bureau's consideration of exemptions to individual organizations and understand its concerns on possible problems that may derived with the exemption. We would like to submit the followings and faithfully believe the associated problems not apply to our case.

Participation by the Under-aged in Our Races

Compared with many organizations in our neighborhood regions, MJC is much stricter in restricting under-aged persons to participate in our races. As such, the Hong Kong SAR Government's concern does not apply to our operation both Macau and Hong Kong. We would, however, welcome any queries and suggestions to our existing practices. We will also accept and adopt any reasonable proposals for a more thorough implementation of this policy which is being endorsed by the both Macau SAR Government, Hong Kong SAR Government and our Club.

The Credibility of the Gaming Business

For all these years, the operation of our Club has always been under the regulation of the former Portuguese Macau Government and is now under the Macau SAR Government. We have always strived for improvements on the quality of our races and enhanced our credibility. The results of our efforts are much visible and recognized by the racing community and participants. We shall continue to strive for perfection and we welcome any suggestions and cooperation proposals, which could further refine our quality.

As such, the Hong Kong SAR Government's concern in this aspect is also not applicable to our Club.

Losses of Income and Charity donation

According to the terms of our franchise, our income in Macau is taxable to the Macau SAR Government. We also actively participate in all kinds of charities and worthy causes in Macau.

Under the existing law in Hong Kong SAR, our activities in Hong Kong SAR are handicapped by stern restrictions. There is no tangible income from our existing operation in Hong Kong. Yet, with limited resources, we are still participating in some community activities. Our operation in Hong Kong is certainly contributed positively to the economy of Hong Kong.

Given the chance, we shall be actively involved in the community and charity work in Hong Kong and ensure local charities will benefit greatly from our supports and participation.

Deferring the Consideration of the Bill

Before the formulation of a workable solution to our existing legal operations in Hong Kong, we can only restate our wish to the Hong Kong SAR Government that the bill be deferred to give plenty of time for the HK SAR Government to consider the input and proposals of numerous entities affected (including our Club) and to formulate appended clauses to make this bill more reasonable and comprehensive.

On the other hand, we certainly appreciate the concerns of the Hong Kong Government to due deal with promptly individual organization whose operation may be in question following the return of both Hong Kong & Macau to China and become SARs, the common ground for cooperation between the two regions is well established. On this issue, if the two SARs can coordinate, cooperate and compliment with each other, we trust this would enhance the economic developments, community & charity work and effectively deal with issues of major concern to both SARs. We, as a socially responsible organization, will do our best for our share of contribution to this task.

Yours faithfully,

Kenneth Liang
Executive Director and Chief Executive

cc. Mrs. Betty Fung, Deputy Secretary for Home Affairs
 Mr. Stephen Wong, Deputy Solicitor General