

**Bills Committee on Betting Duty (Amendment) Bill 2006**

**Follow-up actions arising from the meetings on 30 May and 2 June 2006**

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At the meeting, the Administration was requested to :-	The Administration's written response :-
(a) Provide information concerning financial investigations into illegal bookmaking activities	Where it is believed that financial assets are connected with illegal bookmaking activities, the Police will exercise the power under Organized and Serious Crimes Ordinance (OSCO) (Cap. 455) and undertake in-depth financial investigation with a view to restraining and subsequently confiscating such assets. This is a highly protracted process which requires a huge amount of resources in order to track down the movement of the assets and to identify individuals who have control over the same. Since 1998, financial investigation had been conducted in respect of 25 bookmaking cases which resulted in convictions for bookmaking related money laundering charges in the Courts. The aggregate amount involved was about \$2,500 million. Arising from these convictions, there was one confiscation order involving an amount of \$2.5 million.
(b) Provide statistics concerning police involvement in illegal bookmaking activities	Between 2001 and 2005, a total of eight police officers had been arrested in connection with bookmaking, two of whom were subsequently charged and convicted in Court. <sup>NOTE</sup> The others were not prosecuted after seeking legal advice due to insufficient evidence.  <i>(NOTE : One subsequently had his conviction quashed upon appeal.)</i>

At the meeting, the Administration was requested to :-	The Administration's written response :-
	We would like to reiterate that the Police attaches great importance to the conduct and integrity of police officers. Any officers who are found involved in any illegal activities can expect to be dealt with in the most serious manner.
(c) Together with the Hong Kong Jockey Club (HKJC), consider introducing financial incentives to encourage report and/or provision of intelligence on illegal bookmaking activities	This will be further explored with the HKJC.
(d) Provide statistics on customers' complaints relating to the conduct of horse race betting	In 2004 and 2005, the Administration received no complaints relating to the conduct of horse race betting.  <i>(NOTE : The ambit of the Football Betting and Lotteries Commission does not cover horse race betting at present.)</i>
(e) Liaise with HKJC to provide the performance targets set by HKJC for staff involved in taking horse race bets	According to the HKJC, there is a set of performance appraisal system for all staff setting out the standards against which individual staff performance will be evaluated. For front-line betting staff these performance standards cover: punctuality and attendance; meeting service standards; handling customer requests; job knowledge; interpersonal relationships and teamwork; grooming and appearance; and being pro-active and cooperative at work. There are no other performance targets for individual front-line betting staff.
(f) Consider a member's view that the voting members of HKJC should not be appointed to the Football Betting and Lotteries Commission	The voting members of HKJC would not be responsible for the day-to-day operation of the Club and management of assets. As such, we do not consider that appointing voting members of HKJC to the Football Betting and

<p><b>At the meeting, the Administration was requested to :-</b></p>	<p><b>The Administration's written response :-</b></p>
	<p>Lotteries Commission would cause a problem of conflict of interest.</p> <p>Having said this, we appreciate the member's concern in this aspect. We will take this into account when considering new appointments to the Commission.</p>
<p>(g) Together with HKJC, consider increasing resources for the prevention, counselling and treatment of problem gambling</p>	<p>The Administration will continue to implement measures to address gambling-related problems, including public education, prevention, counselling and treatment as well as other remedial services for problem and pathological gamblers. The estimated expenditure will be \$12 to \$15 million to be financed by the Ping Wo Fund. We will continue to enhance public understanding of the nature and risks of gambling activities and to increase public awareness of gambling-related problems, particularly amongst young people in the run-up to the World Cup 2006. We will commission organizations with experience in conducting school and youth education programmes to launch youth education campaigns in schools and districts to drive home the message of the adverse consequences of excessive gambling to young people.</p> <p>We note the request for the allocation of increased resources for the prevention, counselling and treatment of problem gambling. Together with HKJC, the Administration will carefully consider such requests in the light of the findings of the review of the effectiveness of the existing two gambling counselling and treatment centres.</p>

<p><b>At the meeting, the Administration was requested to :-</b></p>	<p><b>The Administration's written response :-</b></p>
<p>(h) Propose a Committee Stage Amendment to move the definition of "director" in section 6B(1) to new section 1A(1)</p>	<p>Agreed. A <b>Committee Stage Amendment</b> will be proposed by the Administration. Please see the draft at <b><u>Annex</u></b> for reference.</p>

**Follow-up actions arising from the meetings on 2 June 2006**

At the meeting, the Administration was requested to :-	The Administration's written response :-
<p>(a) provide information on the content of the code of practice for horse race betting. If such information is not ready for the time being, please provide an undertaking that the Administration would consult the Panel on Home Affairs on the code of practice in due course;</p>	<p>Taking reference from the codes of practice relating to football betting and lotteries, a code of practice relating to the licensing conditions under the licence for horse race betting will be drawn up in consultation with the Hong Kong Jockey Club (HKJC) and the future Betting and Lotteries Commission. The code of practice shall cover, broadly, the following major areas :</p> <p><i>(a) Prevention of underage betting-</i></p> <p>(i) The licensee should display signs of reasonable size and clarity in its Premises and betting website to indicate that juveniles are not allowed to enter such Premises.</p> <p>(ii) The licensee should display signs of reasonable size and clarity in its Premises and betting website to indicate that juveniles are not allowed to place bets with the licensee.</p> <p>(iii) The licensee should adopt appropriate and practicable measures aiming at preventing juveniles from placing bets with the licensee, including the checking of the identification of any person whom it has reason to believe might be a juvenile.</p>

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	<p>(iv) The licensee should not open any Internet or telephone betting accounts for juveniles and should require passwords from account holders to access such accounts and to place bets with the licensee.</p> <p>(b) <i>Advertising or promotion activities not to target juveniles-</i></p> <p>(i) Without prejudice to the licensee's right to advertise or promote horse race betting in accordance with the Ordinance and the licence at its Premises or otherwise, the licensee should not advertise the conduct of horse race betting in, or in close proximity to, educational and training institutions for juveniles.</p> <p>(ii) The advertising and promotional activities or materials of the licensee shall not:</p> <ul style="list-style-type: none"> <li>- use individuals or cartoon figures who are, or reasonably appear to be, juveniles to promote horse race betting;</li> <li>- show juveniles participating in horse race betting;</li> <li>- be placed by the licensee</li> </ul>

At the meeting, the Administration was requested to :-	The Administration's written response :-
	<p>in the media directed at juveniles;</p> <ul style="list-style-type: none"> <li>- be placed by the licensee at events organized for juveniles; and</li> <li>- be placed by the licensee on billboards or other outdoor displays that are directly adjacent to educational and training institutions for juveniles.</li> </ul> <p>(c) <i>General approach to advertising or promotional activities-</i></p> <p>The advertising and promotional activities or materials of the licensee shall not:</p> <ul style="list-style-type: none"> <li>- be false or misleading about the chance of winning;</li> <li>- suggest that betting on horse racing is a form of financial investment;</li> <li>- present betting on horse racing as an alternative to employment;</li> <li>- suggest that betting on horse racing is a reasonable strategy for financial betterment;</li> <li>- promote reliance on betting on horse racing as a means of relieving a person's financial difficulties;</li> </ul>

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	<ul style="list-style-type: none"> <li>- suggest that chances of winning increase the longer or more one plays; and</li> <li>- present winning as the most probable outcome.</li> </ul> <p><i>(d) Display of notices-</i></p> <p>(i) The licensee should display in its Premises and betting website in a manner clearly visible by its patrons in the Premises or its account holders who place bets through such website:</p> <ul style="list-style-type: none"> <li>- a warning of the seriousness of the adverse consequences caused by excessive gambling; and</li> <li>- information on the remedial services available in Hong Kong for problem and pathological gamblers including those financed by the Ping Wo Fund.</li> </ul> <p>(ii) The licensee should, upon request by its patrons, provide contact information about the remedial services available in Hong Kong for problem and pathological gamblers.</p> <p>(iii) The licensee should display in its Premises in a manner clearly visible by passers-by outside the Premises as far as practicable</p>

<p><b>At the meeting, the Administration was requested to :-</b></p>	<p><b>The Administration’s written response :-</b></p>
	<p>notices containing warning of the seriousness of the adverse consequences caused by excessive gambling.</p>
<p><u>New section 6GB</u> (b) consider the following views expressed by some members –</p>	
<p>(i) “Announcement of Public Interests” and/or warning against the seriousness of the problems caused by excessive gambling should be shown during the hours of broadcast of horse races;</p>	<p>The Administration would request the television/radio stations to increase the broadcasting frequency of the “Announcement of Public Interests” during the hours of the broadcast of horse races.</p> <p>The Administration would also discuss with the HKJC and the concerned television channels the practical and appropriate ways to convey the relevant warnings and information during the hours of broadcast of horse races.</p>
<p>(ii) warning against the seriousness of the problems caused by excessive gambling should be displayed in all means of advertising or promotional activities on horse race betting; and</p>	<p>The Administration would discuss the proposal with the representatives of the media.</p>
<p>(iii) the prohibited hours for advertising the conduct of horse race betting on television should be extended on Saturdays and Sundays as children and youth spend more time in watching television during these days;</p>	<p>The Administration agreed that the prohibited hours for advertising the conduct of betting on horse races on television or radio should be revised to between the hours of 9:30 a.m. and 10:30 p.m. on Saturday and Sunday. A <b>Committee Stage Amendment</b> would be proposed by the Administration. Please see the draft at <u><b>Annex</b></u> for reference.</p>

At the meeting, the Administration was requested to :-	The Administration's written response :-
<u>New section 6GF</u>	
(c) explain the present arrangement adopted by the Hong Kong Jockey Club in handling unclaimed dividends;	At present, if a dividend is not collected within 60 days after the date of the relevant race meeting, it will be forfeited; and any dividend stands forfeited shall be deemed to have been directed by the person entitled thereto to be paid to the HKJC Charities Trust as a charitable donation.
(d) explain how unclaimed dividends and rebates will be handled under the reformed betting duty system; and	We would provide a reply separately.
<u>New section 6GH</u>	
(e) consider providing in the clause that the change of the charging period agreed by the Collector and the horse race betting conductor shall not affect the betting duty receivable by the Government.	Section 6GH(4) already clearly states that such an agreement will have no effect under certain circumstances to ensure that all race days are covered and there is no loss of revenue.

**June 2006**

BETTING DUTY (AMENDMENT) BILL 2006

DRAFT

COMMITTEE STAGE

Amendments to be moved by the Secretary for Home Affairs

<u>Clause</u>	<u>Amendment Proposed</u>
3(6)	<p>(a) By adding before the definition of "first horse race betting conductor" -</p> <p>"director" ( ) includes any person occupying the position of director by whatever name called;".</p> <p>(b) In the definition of "relevant cancelled race meeting" -</p> <p>(i) in paragraph (b), by deleting "all" and substituting "each of";</p> <p>(ii) in paragraph (b)(ii)(B), by deleting "those horse races" and substituting "the horse race".</p>

11(1) By deleting "definition of "Secretary" and substituting "definitions of "director" and "Secretary".

15 (a) In the proposed section 6GB(4)(d), by deleting everything after "television or" and substituting -

"radio -

(i) between the hours of 9:30 a.m. and 10:30 p.m. on any Saturday or Sunday; or

(ii) between the hours of 4:30 p.m. and 10:30 p.m. on any other day;".

(b) In the proposed section 6GB(6), by deleting everything after "races on television or" and substituting -

"radio between the hours specified in that provision if that company -

(a) broadcasts, between those hours, on television or radio any forecast, hint, odds or tip relating to guessing or foretelling the result of, or contingency relating to, any horse race on which authorized betting may be conducted; or

(b) authorizes such forecast, hint, odds or tip to be broadcast, between those hours, on television or radio."

(c) In the proposed section 6GO(1)(b), by deleting "6GN(7)(b)" and substituting "6GN(8)(b)".

(d) In the proposed section 6GP(2), by deleting "all" and substituting "each of".