

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

**Follow-up action arising from the meeting on 8 June 2006**

At the meeting, the Administration was requested to :-	The Administration's written response :-
(a) Provide examples of "such other orders" which may be made by the Court under section 6GN(6);	<p>The reference to "such other orders as the Court thinks fit" in section 6GN(6) may include:</p> <ul style="list-style-type: none"> <li>- an order for costs;</li> <li>- an order to endorse the revised amount of duty agreed by the parties; and</li> <li>- an order to compel the Collector to amend the summary of facts in the stated case.</li> </ul>
(b) Provide information on the circumstances under which a race meeting will be regarded as cancelled and the guidelines for a replaced race meeting;	<p>If a race is completed but found to be void with no payouts, that particular race will be accepted as cancelled. But to be eligible for reduction of the guaranteed amount, all races (not just one race) in a race meeting (i.e. a race day) should have been cancelled. For example, if the first race in a race meeting is completed but there is no payout because of an extensive electricity failure due to an Act of God (e.g. say thunderstorm) and subsequent races on that day are all cancelled, the race meeting will be regarded as a "relevant cancelled meeting".</p>
(c) explain why only \$2.5 million was confiscated out of an aggregate amount of \$2.5 billion in respect of the 25 convicted bookmaking cases;	<p>As a result of prosecution actions taken, a total of 25 persons were convicted on money laundering-related offences and received sentences up to five and a half years' imprisonment.</p>

<b>At the meeting, the Administration was requested to :-</b>	<b>The Administration's written response :-</b>
	<p>In order to have an order of confiscation successfully applied under the Organized and Serious Crimes Ordinance (OSCO) (Cap. 455), the applicant i.e. the Police is required to establish that a person so convicted for money laundering offences have ownership, control or equitable interest on the assets before a Court would grant a confiscation order. Only one of the cases mentioned met the criteria where an application for confiscation was successfully applied. As a result, \$2.5 million was confiscated from the defendant. In all of these cases, the Police relied on the advice of Department of Justice (DoJ) in determining the merits of the cases for confiscation order under OSCO.</p>
<p>(d) Provide information on whether disciplinary actions had been taken on the six police officers who had been arrested in connection with bookmaking but were not prosecuted due to insufficient evidence;</p>	<p>In respect of the six officers who were arrested in connection with bookmaking, no prosecution was recommended against two officers after DoJ advice due to insufficient evidence. Neither could the subsequent disciplinary reviews uncover facts that support further actions by disciplinary proceedings. Of the remaining four, two officers subsequently faced disciplinary charges arising from the investigation into their alleged involvement of bookmaking activities and were duly punished in accordance with the established procedures. No further action was taken against the other two officers because, after careful consideration on the facts by the investigation unit, it was opined that there was nothing to substantiate any further actions.</p>

<b>At the meeting, the Administration was requested to :-</b>	<b>The Administration’s written response :-</b>
<p>(e) follow up with the Hong Kong Jockey Club (HKJC) on the allegation that front line staff have been provided with a script to encourage or advise customers to place bets on certain horses;</p>	<p>The Administration has sought clarification with the HKJC. Below are HKJC’s responses –</p> <p>“According to the information provided by the Hon. Andrew Cheng on 8 June 2006, the race referred to took place on 26 December 2004.</p> <p>The principal objectives of providing racing information to customers at the OCBBs are: (a) to ensure that OCBB staff do not give inaccurate information in answering customers' queries; and (b) to provide experts' selections to satisfy those customers who have a need for it.</p> <p>Currently, the OCBB staff will not provide information to customers who do not want it. We also wish to reiterate that the Club has never set sales target for OCBB front line staff.</p> <p>When assessing whether a staff is ‘proactive and cooperative’, the main consideration is, similar to other major employers, his or her overall performance and general work attitude. The Club uses similar standards to assess the performance of Club staff in general, and such standards are not unique to or designed for OCBB staff.”</p>
<p>(f) in consultation with HKJC, consider increasing the resources and expanding the scope of services financed by the Ping Wo Fund;</p>	<p>The purpose of the Ping Wo Fund is to finance preventive and remedial measures to address gambling-related problems. Specifically, the Fund was established to finance research on gambling-related issues; preventive education on gambling-related problems as well as remedial measures to help problem gamblers and their significant others.</p>

At the meeting, the Administration was requested to :-	The Administration's written response :-
	<p>HKJC has made a commitment to contribute up to \$15 million per year to the Ping Wo Fund. The HKJC is willing to consider increasing its contribution when applications are received.</p>
<p>(g) consider providing in the Bill or the code of practice the definition of high value bets which may be entitled to rebates; and</p>	<p>In order to provide flexibility for the HKJC to better respond to market demand, we do not agree that a definition of "high value" bets should be set out in the Betting Duty Ordinance.</p> <p>We appreciate Members' concern and would include in the future code of practice guidelines on rebates where necessary. As we do not have the details of the bet types for horse race betting, it would be difficult to set out the draft guidelines at this stage.</p>
<p>(h) state at the Second Reading debate on the Bill that the unclaimed dividends and rebates will be paid to the HKJC Charities Trust in line with the existing arrangement.</p>	<p>Agreed.</p>

**June 2006**