

Paper for the Bills Committee

Betting Duty (Amendment) Bill 2003

Licences for Football Betting and for Lotteries

Purpose

This paper sets out the proposed licensing framework under the Betting Duty (Amendment) Bill 2003, as well as the proposed licensing conditions for conducting football betting and lotteries in Hong Kong.

Licences for football betting and lotteries

2. Under the proposed new section 6G of the Betting Duty (Amendment) Bill 2003 (the Bill), the Secretary for Home Affairs (SHA) may, by issuing a licence to a company, authorize the company to conduct betting on the results of, or contingencies relating to, football matches. Similarly, under the proposed new section 6S, SHA may by issuing a licence to a company, authorize the company to conduct lotteries.

3. Under the proposed new section 6G(3) of the Bill, the licence for football betting should include conditions relating to:

- (a) the categories of matches on which betting may be conducted;
- (b) the manner and form in which bets may be accepted;
- (c) the keeping of premises for accepting bets, the number of such premises and the persons who may enter such premises;
- (d) the persons from whom bets may be accepted;
- (e) the conduct of advertising and promotional activities;
- (f) the provision of information to SHA; and
- (g) the adoption of preventive measures against problems relating to gambling.

4. Under the proposed new section 6S(3), the licence for lotteries includes the conditions as set out in paragraph 3(d) to (g) above. In addition, it should also include conditions relating to:

- (a) the types of lotteries that may be conducted;
- (b) the manner in which lotteries may be drawn; and

(c) the manner in which the results of lotteries may be announced.

Control over the constitution of licensees

5. We propose to grant the licences for football betting and lotteries to two separate wholly-owned subsidiaries of the Hong Kong Jockey Club (HKJC) set up specifically for the purposes. This would help to ensure that each of these two businesses would be commercially viable in its own right, which is conducive to maintaining their competitiveness against illegal bookmakers, and the stability of betting duty revenue.

6. To ensure that HKJC take responsibility for its subsidiaries, under the proposed new Section 6W of the Bill, we propose to require the licensees to seek the prior approval of SHA in respect of any amendment to its constitution, which could include the composition of their respective boards of directors.

Major licensing conditions

Licence for football betting

(a) Types of matches

7. We propose that football betting could be conducted on all football matches of major professional football leagues, international football tournaments or competitions, with the exception of those matches involving Hong Kong teams. The underlying reason is that most illegal football gambling activities which we aim to combat through regulation are on major professional football league matches or international football matches.

8. We propose to prohibit bets on matches involving Hong Kong teams generally, for the following reasons-

- (i) as compared with major professional football league matches, the risk of match-fixing is higher for local matches; and
- (ii) we see no need to allow betting on local football matches in order to combat illegal football betting since there has yet been a large and persistent demand for betting on local football matches.

9. We also propose to allow betting on certain matches involving Hong Kong teams with the permission of SHA on a case-by-case basis. The rationale is that we need to preserve the possibility of allowing betting on international football tournaments on a case-by-case basis where a Hong Kong team is able to enter the final stage, if a strong demand for betting on such matches has been established and is being met by illegal channels.

(b) Types of bets

10. We propose to allow the licensee to offer fixed odds and pari-mutuel betting on approved football matches in relation to the results of and contingencies relating to such matches, instead of specifying the details of the particular betting games. This seeks to provide the licensee with the flexibility to offer and adjust bet types in line with changing demand in the market, hence ensuring its competitiveness vis-à-vis illegal operators.

(c) Number of betting outlets and locations

11. We propose that there should be a maximum number of betting outlets as determined by SHA from time to time and that SHA's prior approval would be required for the opening of new outlets. Following the existing practice regarding the Off-course Betting Branches of HKJC, SHA would determine the maximum number and locations of betting outlets after taking into account all relevant considerations, such as public demand for the particular betting services, prevalence of illegal gambling in the vicinity, and impact on neighbouring areas.

(d) Means of taking bets

12. Apart from betting outlets, we propose to allow the licensee to take bets through telephone, on-line medium (including the Internet) and other telecommunication or electronic means.

(e) Credit betting

13. We propose that the licensee should not be allowed to offer any credit for betting or to accept credit cards for settlement of betting transactions in order to prevent excessive gambling among punters.

(f) Age restriction

14. To prevent underage betting, we propose that the licensee shall not accept bets from any person under 18 years of age. Nor should it accept any request for payment of winnings from any person under 18 years of age. The licensee should also be required to take reasonable measures to prevent admission of persons below 18 years of age to its betting premises.

(g) Advertising

15. We propose that the licensee should not (i) advertise football betting on television or on the radio during the family viewing hours prescribed by the Broadcasting Authority; (ii) advertise in ways which would exhort the public to bet; or (iii) target persons under 18 years of age in their advertisements. These seek to protect children and adolescents from being attracted to gambling.

16. We also propose to provide that SHA could issue Codes of Practice on advertising as and when appropriate. This would enable SHA to prescribe detailed guidelines on particular aspects of advertising on football betting and to tackle any specific issues of concern in this area which may arise after the licence has been granted. As stated in the proposed new Section 6X of the Bill, the failure of the licensee to observe any such Codes of Practice should not of itself be considered as a breach of any licensing condition, but would be taken into consideration as to whether the licensing condition has been contravened.

(h) Preventive measures against gambling-related problems

17. We propose to require the licensee to display signs and other notices of reasonable size and clarity within its premises, for the purposes of both informing punters that excessive gambling could create problems and providing information on avenues for seeking help relating to problem and pathological gambling.

18. We also propose to provide that SHA could issue Codes of Practice on preventive measures against gambling-related problems.

(i) Consumer protection

19. We propose to require the licensee to disseminate within its betting premises and on its website essential information relating to its betting products. The licensee should also be required to secure that all winnings in every game available for betting be paid to persons eligible to claim them in accordance with the relevant betting rules. Moreover, the licensee should also not be allowed to disclose the identity of any person who has won any winnings, except in the event that the disclosure is required by law.

(j) Provision of information

20. We propose to require the licensee to provide SHA with specified information relating to compliance with the licensing conditions.

21. Separately, we propose to require the licensee to provide Government with their annual audited accounts as well as other supporting books and accounts relating to the operation of football betting. This is to ensure that the licensee remains a financially viable organization during the licence period, which is essential to ensuring its competitiveness against other bookmakers and stability of betting duty revenue. This also enables Government to assess the operating costs for football betting incurred by the licensee so as to determine the appropriate betting duty rate in future.

(k) Control systems and rules

22. We propose that the licensee should put in place adequate accounting systems and system of controls relating to the operation of football betting, which could ensure efficient running of operations and prudent risk management, as well as compliance with the relevant legislation and licensing conditions. The licensee would also be required to report annually to SHA on such systems and their major changes.

23. We also propose to require the licensee to prescribe a set of rules relating to the general procedure of betting and submit such rules to SHA for reference.

Licence for lotteries

24. We propose to include the above licensing conditions in respect of football betting in the licence for Mark Six Lottery as appropriate.

Draft licensing provisions

25. The latest draft provisions of the licences for conducting football betting and lotteries are at **Annexes A and B** respectively.

Variation of licensing conditions

26. Under the proposed new section 6Y of the Bill, SHA may, by notice in writing given to the holder of a licence, vary the conditions of the licence. SHA should give the licence holder a reasonable opportunity to make representations and consider the representations, if any. Under the proposed new section 6ZB of the Bill, the licence holder could appeal to the Appeal Board against SHA's decision to vary the licensing conditions.

Sanctions for non-compliance with licensing conditions

27. If the licensee has failed to comply with a condition of the licence, we propose that the SHA may either impose financial penalties or revoke the licence, after giving the licensee a reasonable opportunity to make representations. We also propose to allow the licensee who is not satisfied with the SHA's decision on the sanctions to appeal to an independent Appeal Board comprising no less than five non-officials appointed by the Chief Executive. The detailed provisions have been set out in the proposed new Sections 6Z to 6ZE of the Bill.

Home Affairs Bureau
June 2003

[DRAFT]

Licence for conducting football betting

**Issued under Section X of the Betting Duty Ordinance
Chapter 108, Laws of Hong Kong**

The Secretary for Home Affairs, in exercise of the powers conferred on him by section X of the Betting Duty Ordinance (Cap. 108, Laws of Hong Kong), hereby grants to the HKJC Football Betting Limited a licence to conduct betting on football matches from _____ to _____ (both dates inclusive), subject to the conditions attached.

The issue of this licence does not in any way exempt the licensee from compliance with any enactment in force in Hong Kong.

Date:

Secretary for Home Affairs

CONDITIONS

Interpretation

1. In these conditions –

“football betting” means football betting conducted under section X of the Ordinance

“Hong Kong teams” means the Hong Kong football teams; the teams formed wholly or partly by players of the football league organized by the Hong Kong Football Association; or teams in the football league organized by the Hong Kong Football Association irrespective of divisions

“licensee” means the HKJC Football Betting Limited

“the Ordinance” means the Betting Duty Ordinance (Cap. 108, Laws of Hong Kong)

“premises” means the premises mentioned in paragraph 10(1) on which the licensee may receive bets

“results” means the final results of the football matches as determined and published by the licensee in accordance with the betting rules prescribed by the licensee

2. Rules of Interpretation

- (1) Any word under these conditions shall be interpreted in the same way as it is interpreted under the Ordinance unless otherwise stated in the conditions.
- (2) Nothing in these conditions shall in any way limit or prejudice the effect of or any obligation of the licensee to comply with any other conditions imposed by the Secretary for Home Affairs at any times after the date of this licence.
- (3) For the purpose of interpreting these conditions, heading to any

condition shall be disregarded.

Operations

3. Types of football matches

- (1) Pari-mutuel and fixed-odds betting could only be conducted on football matches of major professional football leagues, international football tournaments or major football competitions.
- (2) No betting shall be conducted on football matches involving any Hong Kong team irrespective of where they are played, except with the written permission of the Secretary for Home Affairs.

4. Types of bets

- (1) The licensee may conduct pari-mutuel betting on the results of or any contingencies relating to the football matches allowed in paragraph 3(1). The amount of winnings shall be determined with regard to the results of or any contingencies relating to the relevant football matches, and the respective share of the bettors in the total amount of winnings available in accordance with the betting rules of the licensee.
- (2) The licensee may conduct fixed-odds betting on the results of or any contingencies relating to the football matches allowed in paragraph 3(1). The amount of winnings shall be determined with regard to the results of or contingencies related to the relevant football matches and shall be fixed at the time when the bet is laid with the licensee in accordance with the betting rules of the licensee.

5. Credit Betting

- (1) The licensee shall not offer any credit for the purpose of betting.
- (2) The licensee shall not accept any payment for bets by credit card.

6. Age restriction on bettors

- (1) The licensee shall not accept or offer to accept a bet from any

person below the age of 18, irrespective of whether that person is placing the bet on behalf of another person over the age of 18.

- (2) The licensee shall take reasonable measures to avoid, and prevent itself from, taking bets from any person below the age of 18.
- (3) The licensee shall take reasonable measures to avoid, and prevent itself from, accepting applications for opening of betting accounts from any person below the age of 18.
- (4) The licensee shall not accept the request for payment of winnings from any person below the age of 18 regardless of whether the bet was placed by that person or not.

7. Advertising

- (1) The licensee shall not advertise football betting to exhort the public to bet in any television or radio programme available for reception in Hong Kong between 4:00 p.m. and 8:30 p.m. each day, or at other times which are, in the opinion of the Broadcasting Authority (as stipulated under the relevant codes of practices issued by the Broadcasting Authority), regarded as television or radio programmes which target young persons under the age of 18.
- (2) The licensee shall not target persons below the age of 18 in advertisements on football betting.
- (3) Any advertisement on football betting shall not deliberately and unreasonably mislead or exaggerate one's likelihood of winning; or present football betting as an alternative to work or a way out of financial difficulties.
- (4) The Secretary for Home Affairs may issue Codes of Practice on this condition as and when necessary.

8. Preventive measures against problem and pathological gambling

- (1) The licensee shall display signs of reasonable size and clarity within its premises, other notices and on its website to inform patrons that excessive gambling could create problems and that

avenues are available for seeking help regarding problem or pathological gambling in case of need.

- (2) The Secretary for Home Affairs may issue Codes of Practice on this condition as and when necessary.

9. Consumer protection

- (1) The licensee shall display or make available for perusal the betting rules required under paragraph 14 and disseminate information on the bet types available, percentage of payouts in pari-mutuel betting, if offered, and costs of the bets on all premises listed in Annexes X and Y and on its website.
- (2) The licensee shall secure that all winnings in every game available for betting are paid in accordance with the betting rules prescribed by the licensee.
- (3) Save as is otherwise required by law the licensee shall not disclose the identity of any person who has won any winnings, or whom the licensee is aware is, or is likely to be, entitled to any share in or part of any such winnings without the prior consent of that person.

10. Number of outlets and locations

- (1) The licensee may receive bets at all the premises listed at Annexes X and Y to this licence, and at any such other premises as may be subsequently approved by the Secretary for Home Affairs.
- (2) The total number of premises listed at Annexes X and Y that football betting may be conducted shall be limited to a number to be determined by the Secretary for Home Affairs from time to time.
- (3) The licensee shall be responsible for security of the premises in Annexes X and Y and for providing sufficient guards to keep crowds under control and to maintain orderly queues.
- (4) The licensee shall comply with all the requirements in respect of the premises as stipulated by the Director of Buildings and the Director of Fire Services in the letters at Annex Z.

11. Other means of taking bets

The licensee may accept bets made by telephone, on-line medium (including Internet) and other telecommunication or electronic means.

12. Entry restriction

- (1) The licensee shall take reasonable measures to prevent admission of persons below 18 years of age to the premises in Annexes X and Y at any time when betting is conducted within such premises.
- (2) Subject to paragraph 12(1), the licensee shall take reasonable steps to remove a person below 18 years of age from the premises in Annexes X and Y on becoming aware of the situation.

Systems of control and rules

13. Requirement to maintain adequate accounting systems and systems of control

- (1) The licensee shall put in place adequate accounting systems and adequate systems of control, for the purposes of ensuring efficient running of football betting operations and prudent risk management, minimizing the risk of fraud, as well as enabling compliance with the Gambling Ordinance, Betting Duty Ordinance, and the conditions of this licence.
- (2) The licensee shall submit to the Secretary for Home Affairs (for reference) a report on the accounting systems and systems of control as mentioned in paragraph 13(1) on a yearly basis, and in a format agreed with the Secretary. The licensee shall also notify the Secretary for Home Affairs of any major changes to such systems as soon as practicable.

14. Betting Rules

The licensee shall prescribe a set of rules relating to the general procedure of the conduct of football betting and submit to the Secretary for Home Affairs the rules for reference and inform the Secretary of any

major changes to the rules as soon as practicable.

Information

15. Provision and inspection of information

In the event that the Secretary for Home Affairs reasonably believes that the licensee has breached a licensing condition or contravened the Ordinance, the licensee shall, upon request by the Secretary for Home Affairs in writing, provide the Secretary for Home Affairs at such times and in such form specified by him with such information as he may reasonably require relating to the compliance with the licensing conditions.

16. Accounts

The licensee shall deliver to the Secretary for Home Affairs and the Secretary for Financial Services and the Treasury the annual audited account within 3 months after the end of each financial year and provide the Secretary for Home Affairs and the Secretary for Financial Services and the Treasury at such time and in such form specified any supporting books and accounts related to audited accounts as they may reasonably require.

Warning, penalties and termination

17. Warnings

The Secretary for Home Affairs may issue a warning letter to the licensee if he is satisfied that the licensee has contravened any licensing condition and he may request the licensee to take reasonable remedial measures to rectify the contravention within a reasonable period of time.

18. Financial Penalties

The Secretary for Home Affairs may impose financial penalties on the licensee in accordance with the relevant provision(s) of the Ordinance.

19. Revocation of licence

- (1) The Secretary for Home Affairs may revoke the licence in accordance with the relevant provision(s) of the Ordinance.
- (2) The revocation of licence shall not render the bets accepted by the licensee before the termination of licence invalid.
- (3) The revocation of licence shall not affect the payment of winnings for bets placed at a time before the date of licence revocation.

20. Surrender of licence

- (1) The licensee shall have the right to surrender the licence by giving at least 6 months written notice to the Secretary for Home Affairs.
- (2) The surrender of licence shall not render the bets accepted by the licensee before the surrender of licence invalid.
- (3) The surrender of licence shall not affect the payment of winnings for bets placed at a time before the surrender of licence.

Miscellaneous

21. Validity of bets

Failure of the licensee to comply with the conditions herein shall not render a bet accepted by the licensee invalid.

22. Reporting of fraud and service interruption

The licensee shall inform Secretary for Home Affairs within a reasonable period of time the occurrence of any fraud related to operation of football betting and any interruption of service.

23. Remain in active operation

Subject to paragraphs 19, 20 and 24, the licensee shall ensure that it remains in active operation during the term of this licence.

24. Force Majeure

If the licensee shall be rendered unable to carry out the whole or any part of its obligation under this licence for any reason beyond its control, including, but not limited to, acts of God, acts of governmental authorities, strikes, war, declaration of war, riots or any other cause of such nature, reasonably unforeseeable non-availability of information material to the business, and that the licensee has exhausted its reasonable endeavours to overcome such inability, then the performance of the obligations of the licensee shall be excused during the continuance of any inability so caused, but such inability shall, so far as possible, be remedied with all reasonable effort with a view to resuming compliance with the licensing conditions herein.

Annexes

- Annex X - a list of the Off-Course Betting Branches
- Annex Y - the areas within the Shatin Racecourse and Happy Valley Racecourse where betting is conducted by the licensee
- Annex Z - requirements stipulated by the Director of Buildings and the Director of Fire Services on the premises

[DRAFT]

Licence for conducting lotteries

**Issued under Section X of the Betting Duty Ordinance
Chapter 108, Laws of Hong Kong**

The Secretary for Home Affairs, in exercise of the powers conferred on him by section X of the Betting Duty Ordinance (Cap. 108, Laws of Hong Kong), hereby grants to the HKJC Lotteries Limited to conduct lotteries from _____ to _____ (both dates inclusive), subject to the conditions attached.

The issue of this licence does not in any way exempt the licensee from compliance with any enactment in force in Hong Kong.

Date:

Secretary for Home Affairs

CONDITIONS

Interpretation

1. In these conditions –

“licensee” means the HKJC Lotteries Limited

“lottery” means the lottery conducted under section X of the Ordinance

“the Ordinance” means the Betting Duty Ordinance (Cap. 108, Laws of Hong Kong)

“premises” means the premises mentioned in paragraph 11(1) on which the licensee may accept entries for a lottery

2. Rules of Interpretation

- (1) Any word under these conditions shall be interpreted in the same way as it is interpreted under the Ordinance unless otherwise stated in the conditions.
- (2) Nothing in these conditions shall in any way limit or prejudice the effect of or any obligation of the licensee to comply with any other conditions imposed by the Secretary for Home Affairs at any times after the date of this licence.
- (3) For the purpose of interpreting these conditions, heading to any condition shall be disregarded.

Operations

3. Lottery

The licensee may conduct a lottery game known as “Mark Six” in the English language and “六合彩” in the Chinese language.

4. Drawing

The licensee shall ensure the security and proper operation of the

equipment, processes, and procedures used in connection with the drawing of the lottery.

5. Announcement of results

The licensee shall arrange the results of each drawing of the lottery to be displayed in its premises or to be announced through domestic television or radio channels in Chinese and English as soon as practicable.

6. Credit Betting

- (1) The licensee shall not offer any credit for the purpose of placing of entry.
- (2) The licensee shall not accept any payment for placing of entry by credit card.

7. Age restriction on participation

- (1) The licensee shall not accept or offer to accept the placing of entry by any person below 18 years of age, irrespective of whether that person is placing the entry on behalf of another person over the age of 18.
- (2) The licensee shall take reasonable measures to avoid, and prevent itself from allowing any person below the age of 18 to place entry.
- (3) The licensee shall take reasonable measures to avoid, and prevent itself from, accepting applications for opening of betting accounts from any person below the age of 18.
- (4) The licensee shall not accept the request for payment of prize from any person below the age of 18 regardless of whether the entry was placed by that person or not.

8. Advertising

- (1) The licensee shall not advertise lottery to exhort the public to participate in lottery in any television or radio programme available for reception in Hong Kong between 4:00 p.m. and 8:30

p.m. each day, or at other times which are, in the opinion of the Broadcasting Authority (as stipulated under the relevant codes of practices issued by the Broadcasting Authority), regarded as television or radio programmes which target young persons under the age of 18.

- (2) The licensee shall not target persons below the age of 18 in advertisements on lottery.
- (3) Any advertisement on lottery shall not deliberately and unreasonably mislead or exaggerate one's likelihood of winning; or present lottery as an alternative to work or a way out of financial difficulties.
- (4) The Secretary for Home Affairs may issue Codes of Practice on this condition as and when necessary.

9. Preventive measures against problem and pathological gambling

- (1) The licensee shall display signs of reasonable size and clarity within its premises, other notices and on its website to inform patrons that excessive gambling could create problems and that avenues are available for seeking help regarding problem or pathological gambling in case of need.
- (2) The Secretary for Home Affairs may issue Codes of Practice on this condition as and when necessary.

10. Consumer protection

- (1) The licensee shall display or make available for perusal the betting rules required under paragraph 15 and disseminate information on the bet types available, percentage of payouts, and costs for placing entry on all premises listed in Annexes X and Y and on its website.
- (2) The licensee shall secure that all prizes in every lottery are paid in accordance with the rules prescribed by the licensee.
- (3) The licensee shall ensure the accuracy of the announced results of the lottery.

- (4) Save as is otherwise required by law the licensee shall not disclose the identity of any person who has won any prize, or whom the licensee is aware is, or is likely to be, entitled to any share in or part of any such prizes without the prior consent of that person.

11. Number of outlets and locations

- (1) The licensee may accept the placing of entry at all the premises listed at Annexes X and Y to this licence, and at any such other premises as may be subsequently approved by the Secretary for Home Affairs.
- (2) The total number of premises listed at Annexes X and Y that entries could be placed shall be limited to a number to be determined by the Secretary for Home Affairs from time to time.
- (3) The licensee shall be responsible for security of the premises and for providing sufficient guards to keep crowds under control and to maintain orderly queues.
- (4) The licensee shall comply with all the requirements in respect of the premises as stipulated by the Director of Buildings and the Director of Fire Services in the letters at Annex Z.

12. Other means of accepting the placing of entry

The licensee may accept placing of entry by telephone, on-line medium (including Internet) and other telecommunication or electronic means.

13. Entry restriction

- (1) The licensee shall take reasonable measures to prevent admission of persons below the age of 18 to the premises in Annexes X and Y at any time when entry is accepted within such premises.
- (2) Subject to paragraph 13(1), the licensee shall take reasonable steps to remove a person below the age of 18 from the premises in Annexes X and Y on becoming aware of the situation.

Systems of control and rules

14. Requirement to maintain adequate accounting systems and systems of control

(1) The licensee shall put in place adequate accounting systems and adequate systems of control relating to lottery operations, for the purposes of ensuring efficient running of operations and prudent risk management, minimizing the risk of fraud, as well as enabling compliance with the Gambling Ordinance, Betting Duty Ordinance, and the conditions of this licence.

(2) The licensee shall submit to the Secretary for Home Affairs (for reference) a report on the accounting systems and systems of control on a yearly basis, in a format agreed with the Secretary. The licensee should also notify the Secretary for Home Affairs of any major changes to such systems, as and when appropriate.

15. Lottery Rules

The licensee shall prescribe a set of rules relating to the general procedure of the conduct of lottery and submit to the Secretary for Home Affairs a set of the rules for reference and inform the Secretary of any major changes to the rules as soon as practicable.

Information

16. Provision of information

In the event that the Secretary for Home Affairs reasonably believes that the licensee has breached a licensing condition or contravened the Ordinance, the licensee shall, upon request by the Secretary for Home Affairs in writing, provide the Secretary for Home Affairs at such times and in such form specified by him with such information as he may reasonably require relating to the compliance with the licensing conditions.

17. Accounts

The licensee shall deliver to the Secretary for Home Affairs and the Secretary for Financial Services and the Treasury the annual audited account within 3 months after the end of each financial year and provide the Secretary for Home Affairs and the Secretary for Financial Services and the Treasury at such time and in such form specified any supporting books and accounts related to audited accounts as they may reasonably require.

Warning, penalties and termination

18. Warnings

The Secretary for Home Affairs may issue a warning letter to the licensee if he is satisfied that the licensee has contravened any licensing condition and he may request the licensee to take reasonable remedial measures to rectify the contravention within a reasonable period of time.

19. Financial Penalties

The Secretary for Home Affairs could impose financial penalties on the licensee in accordance with the relevant provision(s) of the Ordinance.

20. Revocation of licence

- (1) The Secretary for Home Affairs could revoke the licence in accordance with the relevant provision(s) of the Ordinance.
- (2) The termination of licence shall not render any entry accepted by the licensee before the revocation of licence invalid.
- (3) The termination of licence shall not affect the distribution of prize for any entry accepted by the licensee before the termination of licence.

21. Surrender of licence

- (1) The licensee shall have the right to surrender the licence by giving at least 6 months written notice to the Secretary for Home Affairs.

- (2) The surrender of licence shall not render the entry accepted by the licensee before the surrender of licence invalid.
- (3) The surrender of licence shall not affect the distribution of prize for any entry accepted by the licensee at a time before the surrender of licence.

Miscellaneous

22. Validity of tickets

Failure of the licensee to comply with the conditions herein shall not render the entry accepted by the licensee invalid.

23. Reporting of fraud and service interruption

The licensee shall inform Secretary for Home Affairs within a reasonable period of time the occurrence of any fraud and major interruption of service.

24. Remain in active operation

Subject to paragraphs 20, 21 and 25, the licensee shall ensure that it remain in active operation during the term of this license.

25. Force Majeure

If the licensee shall be rendered unable to carry out the whole or any part of its obligation under this licence for any reason beyond its control, including, but not limited to, acts of God, acts of governmental authorities, strikes, war, declaration of war, riots or any other cause of such nature, reasonably unforeseeable non-availability of information material to the business, and that the licensee has exhausted its reasonable endeavours to overcome such inability, then the performance of the obligations of the licensee shall be excused during the continuance of any inability so caused, but such inability shall, so far as possible, be remedied with all reasonable effort with a view to resuming compliance with the licensing conditions herein.

Annexes

- Annex X - list of the Off-Course Betting Branches
- Annex Y - the betting areas within the Shatin Racecourse and Happy Valley Racecourse where lottery tickets are sold by the licensee
- Annex Z - requirements stipulated by the Director of Buildings and the Director of Fire Services on the premises