

立法會  
*Legislative Council*

LC Paper No. CB(3) 664/02-03

Ref. : CB(3)/M/OR

Tel : 2869 9205

Date : 22 May 2003

From : Clerk to the Legislative Council

To : All Members of the Legislative Council

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**Council meeting of 11 June 2003**

**Proposed resolution under  
section 6(3) of the Betting Duty Ordinance**

I forward for Members' consideration a proposed resolution which the Secretary for Financial Services and the Treasury will move at the Council meeting of 11 June 2003 under section 6(3) of the Betting Duty Ordinance. The President has directed that "it be printed in the terms in which it was handed in" on the Agenda of the Council.

2. The draft speech, in the Chinese version, which the Secretary for Financial Services and the Treasury will deliver when moving the proposed resolution, is also attached. The English translation of the speech will be issued as soon as it is available.

(Ray CHAN)  
for Clerk to the Legislative Council

Encl.

## BETTING DUTY ORDINANCE

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### **RESOLUTION**

(Under section 6(3) of the Betting Duty Ordinance (Cap. 108))

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RESOLVED that with effect from 1 August 2003 section 6(1)(b) of the Betting Duty Ordinance be amended by repealing “19%” and substituting “20%”.

**Speech by Mr Frederick Ma Si-hang,  
Secretary for Financial Services and the Treasury,  
at the Legislative Council on 11 June 2003**

**(English translation)**

**Resolution made under section 6(3) of the Betting Duty Ordinance**

Madam President,

I move that the first resolution standing in my name as set out on the agenda be passed. The resolution seeks to implement the Budget proposal to increase the duty on exotic horse racing bets put forward by the Financial Secretary on 5 March.

2. The Financial Secretary proposed in his 2003-04 Budget Speech to increase the duty on exotic horse racing bets from 19% to 20%. It is estimated that an additional revenue of \$150 million will be generated from this in a full year. The purpose of the resolution is to bring the Financial Secretary's proposal into effect.

3. The fiscal deficit problem is serious. The impact of atypical pneumonia is likely to reduce Government revenue further. On the other hand, the \$11.8 billion package of measures announced in April, which seeks to provide relief for the community, to control the outbreak of the disease and to reinvigorate our economy now that the disease is under control, will incur additional government expenditure. The revenue measures proposed in the Budget must be

implemented in order to alleviate our fiscal position.

4. Betting duty is an important and stable source of recurrent revenue. It generates \$11.1 billion in a full year, representing over 7% of total government revenue. Of this, revenue from the duty on horse racing bets amounts to \$9.7 billion, with \$2.7 billion coming from exotic bets. Exotic bets refer to six-up, treble, tierce, trio, double trio and triple trio. A mild adjustment of the duty rate on exotic bets will not affect people's livelihood.

5. At present, 76% of the turnover on exotic bets goes to payouts, 19% to betting duty and the remaining 5% to the Hong Kong Jockey Club's commission. The first motion proposes that the betting duty rate on exotic bets be slightly increased to 20%. I will move another motion in a short while to reduce the payout rate from 76% to 75% accordingly.

6. Subject to Members' approval of the resolution, the adjustment will take effect from 1 August. Starting from the next horse racing season, betting duty on exotic bets will be imposed at the new rate.

7. Madam President, with these remarks, I call upon Members to support the Government's resolution.

Treasury Branch,  
Financial Services and the Treasury Bureau  
May 2003