

立法會
Legislative Council

LC Paper No. CB(2)1637/12-13
(These minutes have been seen
by the Administration)

Ref : CB2/BC/3/12

Bills Committee on Betting Duty (Amendment) Bill 2013

**Minutes of the meeting
held on Monday, 3 June 2013, at 10:45 am
in Conference Room 2A of the Legislative Council Complex**

Members present : Hon Tommy CHEUNG Yu-yan, SBS, JP (Chairman)
Hon Abraham SHEK Lai-him, SBS, JP
Hon Jeffrey LAM Kin-fung, GBS, JP
Hon Andrew LEUNG Kwan-yuen, GBS, JP
Dr Hon LAM Tai-fai, SBS, JP
Hon IP Kwok-him, GBS, JP
Hon Alan LEONG Kah-kit, SC
Hon YIU Si-wing
Hon Martin LIAO Cheung-kong, JP
Ir Dr Hon LO Wai-kwok, BBS, MH, JP
Hon Christopher CHUNG Shu-kun, BBS, MH, JP

Members absent : Hon James TO Kun-sun
Hon Frankie YICK Chi-ming
Hon WU Chi-wai, MH
Hon MA Fung-kwok, SBS, JP

Public Officers attending : Item I

Ms Gracie FOO, JP
Deputy Secretary for Home Affairs

Ms Winnie TSE
Principal Assistant Secretary for Home Affairs

Ms Y Y TSE, JP
Assistant Commissioner
Inland Revenue Department

Mr HONG Wai-kuen
Senior Superintendent of Stamp Office
Inland Revenue Department

Mr Lawrence PENG
Senior Assistant Law Draftsman
Department of Justice

Ms Angie LI
Senior Government Counsel
Department of Justice

Clerk in attendance : Ms Alice LEUNG
Chief Council Secretary (2) 2

Staff in attendance : Mr Bonny LOO
Assistant Legal Adviser 3

Miss Josephine SO
Senior Council Secretary (2) 2

Miss Emma CHEUNG
Legislative Assistant (2) 2

Action

I. Meeting with the Administration

The Bills Committee deliberated (index of proceedings attached at **Annex**).

Declaration of interest

2. The Chairman reminded members that where a member of the Bills Committee considered that there might be concern about conflict of interest or conflict of roles in his discussion on a certain issue, he should make a declaration of the matter which was the cause for the concern. In accordance with Rule 83A of the Rules of Procedure, a member should not move any motion or amendment relating to or speak on a matter in which he had a pecuniary interest, whether direct or indirect, except where he had disclosed the nature of that interest.

3. The Chairman and Mr Abraham SHEK declared that they were voting members of the Hong Kong Jockey Club ("HKJC"). Mr SHEK

Action

also declared that he was a member of the Board of Directors of the Macau Jockey Club.

4. Mr Alan LEONG and Ir Dr LO Wai-kwok declared that they were members of HKJC.

5. Mr Martin LIAO declared that he was a member of the Board of Stewards of HKJC.

Responses to deputations' views raised at the meeting on 27 May 2013
(LC Paper Nos. CB(2)1257/12-13(01) and (02))

6. Members noted the written responses provided respectively by the Administration and HKJC to the views and concerns expressed by deputations at the last meeting on 27 May 2013, and raised no further questions.

Clause-by-clause examination of the Bill

7. The Administration briefed members on its response to issues raised at the meeting on 27 May 2013 which were related to the drafting of the proposed new section 6GF(1B) under clause 9(3), as set out in its paper (LC Paper No. CB(2)1256/12-13(01)).

8. The Bills Committee continued clause-by-clause examination of the Betting Duty (Amendment) Bill 2013 ("the Bill"), with the aid of the marked-up copy of the relevant provisions to be amended by the Bill prepared by the Legal Service Division (LC Paper No. CB(2)1092/12-13(02)).

9. The Bills Committee completed the scrutiny of the Bill.

Follow-up action required of the Administration

Admin

10. The Bills Committee requested the Administration to provide a response, in writing, to the suggestion of Mr Christopher CHUNG that the Administration should review, before expiry of the proposed three-year guarantee period, the proposal of charging a flat betting duty rate at 72.5% as well as HKJC's liability to pay betting duty of no less than \$175 million per year (i.e. the guaranteed amount) for three years after implementation of the new betting duty structure for local bets on non-local races. The Bills Committee further suggested that the Administration should endeavour to provide its written response by the deadline for giving notice for resumption of the Second Reading debate on the Bill (i.e. 17 June 2013) to facilitate members' consideration.

Action

Legislative timetable

11. The Bills Committee noted that the Administration intended to give notice for resumption of the Second Reading debate on the Bill at the Council meeting of 3 July 2013.

12. Members raised no objection to the resumption date proposed by the Administration and agreed that the Bills Committee would report its deliberations to the House Committee on 14 June 2013.

13. The Chairman informed members that the deadlines for the Administration giving notice of resumption of the debate and for moving the Committee Stage amendments (if any) were 17 and 22 June 2013 respectively, assuming that the Second Reading debate of the Bill would take place on 3 July 2013.

II. Any other business

14. Members agreed that the Bills Committee meeting originally scheduled for 11 June 2013 at 10:45 am be cancelled.

15. There being no other business, the meeting ended at 11:34 am.

Council Business Division 2
Legislative Council Secretariat
22 July 2013

**Proceedings of the meeting of the
Bills Committee on Betting Duty (Amendment) Bill 2013
on Monday, 3 June 2013, at 10:45 am
in Conference Room 2A of the Legislative Council Complex**

Time marker	Speaker	Subject(s)	Action Required
000324 - 000457	Chairman	The Chairman's opening remarks.	
000458 - 000600	Chairman	The Chairman's declaration of interest.	
000601 - 000926	Chairman Mr Christopher CHUNG Admin	<p>Mr Christopher CHUNG's enquiry about the Administration's stance towards his suggestion that the Administration should conduct a review on the proposed new betting duty structure for local bets on non-local races before expiry of the proposed three-year guarantee period.</p> <p>The Administration's response that it was seriously considering Mr CHUNG's suggestion and was discussing the matter with the relevant bureaux, including the Financial Services and the Treasury Bureau. While the Administration was considering the matter, the Secretary for Home Affairs would elaborate on the Administration's position in this regard in his speech during the resumption of the Second Reading debate on the Betting Duty (Amendment) Bill 2013 ("the Bill").</p>	
000927 - 001245	Chairman Admin	Briefing by the Administration on its response to issues raised at the meeting on 27 May 2013 which related to the drafting of the proposed new section 6GF(1B) under clause 9(3) (LC Paper No. CB(2)1256/12-13(01)).	
001246 - 001523	Chairman Mr Abraham SHEK Mr Christopher CHUNG	<p>Mr Abraham SHEK's declaration of interest.</p> <p>Having considered that the implementation of commingling arrangement could eliminate odds differences and arbitrage by illegal bookmakers and thus help combat illegal gambling, Mr Abraham SHEK was of the view that the Bill should be passed as soon as possible. Although he had once made a suggestion concerning the conduct of a review before expiry of the</p>	

Time marker	Speaker	Subject(s)	Action Required
		<p>proposed three-year guarantee period, he considered that it would suffice for the Administration to report on the progress of the implementation of the Bill to the Panel on Home Affairs.</p> <p>Mr Christopher CHUNG's expression of disagreement with Mr SHEK's view.</p>	
001524 - 001812	Chairman Mr Alan LEONG ALA3 Admin	<p>Mr Alan LEONG reiterated his views that it was more logical and appropriate to arrange the Chinese definitions of the terms "extra amount", "specified amount" and "specified payee" in the proposed new section 6GF(1B) under clause 9(3) of the Bill in the same order as that of the English definitions, although it departed from the standard drafting practice of arranging definitions in the Chinese text according to the number of strokes in the first Chinese character.</p> <p>Referring to paragraph 5.2.8 of the "Drafting Legislation in Hong Kong - A Guide to Styles and Practices" published by the Law Drafting Division of the Department of Justice, ALA3 sought the Administration's clarification as to whether exceptions were allowed although definitions in the Chinese text should generally be arranged according to the number of strokes in the first character, and if so, under what circumstances.</p> <p>The Administration's explanation that exceptions would apply if and when the first character of the Chinese text started with numerical figures/expressions or a specific term in English.</p>	
001813 - 001835	Chairman Ir Dr LO Wai-kwok Mr Martin LIAO Mr Alan LEONG	Declaration of interest by members.	
001836 - 001945	Chairman ALA3	Correspondence between ALA3 and the Administration dated 22 and 29 April 2013 issued to members on 7 May 2013 (LC Paper Nos. CB(2)1092/12-13(03) & (04)).	

Time marker	Speaker	Subject(s)	Action Required
001946 - 002039	Chairman Admin	The Bills Committee continued clause-by-clause examination of the Bill, with the aid of the marked-up copy of the relevant provisions to be amended by the Bill prepared by the Legal Service Division (LC Paper No. CB(2)1092/12-13(02)).	
002040 - 002727	Admin	<u>Clause 3</u> - to amend section 1A of the Betting Duty Ordinance ("BDO") in respect of the definitions of the terms used in BDO.	
002728 - 002822	Admin	<u>Clause 4</u> - to amend the existing section 6GA of BDO in respect of the definition of "horse race betting duty".	
002823 - 002953	Admin Chairman	<u>Clause 6</u> - to amend section 6GD to the effect that betting duty at a progressive rate would only apply to the net stake receipts derived from the conduct of authorized betting on local horse races.	
002954 - 003115	Chairman Admin	<u>Clause 6(4)</u> - to add a new section 6GD(3A) to provide that a betting duty was charged at a rate specified in Schedule 3 (i.e. a flat rate of 72.5%) on the net stake receipts derived from the conduct of authorized betting on non-local horse races in respect of each charging period.	
003116 - 003341	Admin	<u>Clause 8</u> - to add a new section 6GEA to provide for the conditions under which a further horse race betting duty for the conduct of authorized betting on non-local horse races became payable.	
003342 - 003941	Admin	<u>Clause 9</u> - to amend section 6GF to provide for the calculation of the net stake receipts derived from the conduct of authorized betting on non-local horse races and to provide for the definitions of "extra amount", "specified amount" and "specified payee".	
003942 - 004027	Admin	<u>Clause 11</u> - to add a new section 6GGA to provide for the calculation of the guaranteed amount for the purposes of the new section 6GEA.	
004028 - 004337	Chairman Admin	<u>Clause 12</u> - to amend section 6GI concerning provisional payments.	

Time marker	Speaker	Subject(s)	Action Required
004338 - 004451	Chairman Admin	<u>Clause 15</u> - to amend Schedule 1 to BDO so that the progressive rate of betting duty would only apply on the net stake receipts derived from the conduct of authorized betting on local horse races.	
004450 - 004529	Admin	<u>Clause 17</u> - to add a new Schedule 3 to BDO to introduce betting duty (i.e. a flat rate of 72.5%) on net stake receipts derived from non-local horse races.	
004530 - 004622	Admin	<u>Clause 19</u> - to amend Regulation 3AA of the Betting Duty Regulations (Cap. 108 sub. leg. A) concerning the submission of returns in respect of betting on horse races.	
004623 - 004902	Chairman Mr Christopher CHUNG Admin	Mr Christopher CHUNG's request for the Administration to provide a written response to his suggestion about a review of the proposed new betting duty structure for local bets on non-local races. Date of resumption of Second Reading debate; legislative timetable.	Admin to provide a response (para. 10 of the minutes refers)
004903 - 005007	Chairman	Cancellation of meeting originally scheduled for 11 June 2013. The Chairman's closing remarks.	