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29 April 2013

Legislative Council Secretariat
Legal Service Division
Legislative Council Complex
1 Legislative Council Road
Central Hong Kong
(Attn: Mr Bonny Loo)

Dear Mr Loo,

Betting Duty (Amendment) Bill 2013

I refer to your letter of 22 April 2013. Our reply is set out in the ensuing paragraphs.

Clause 6 – proposed section 6GD

- (a) Under the existing Betting Duty Ordinance (Cap. 108) (BDO), a bet placed by an individual bettor with Hong Kong Jockey Club would be regarded as a local bet, hence the existing section 6GD(1) of the BDO would apply. Such bet would be subject to the same betting duty arrangement under the Bill.

Clause 9 – proposed section 6GF

- (b) In paragraph (a) of the definition of *specified amount* under the Bill, the English text refers to the amount payable to the specified payee for the right to use the matter in either paragraph (i) or (ii), or in both of these paragraphs.

The English text has duly reflected the policy intention to cover the right to use –

- (i) sounds;
- (ii) visual images;
- (iii) sounds & visual images;
- (iv) any information relating to the race;
- (v) sounds plus any information relating to the race;
- (vi) visual images plus any information relating to the race; or
- (vii) sounds & visual images plus any information relating to the race.

We see no ambiguity arising from the English text. Neither do we see ambiguity between the English and Chinese text.

We note that in the Chinese text “任何或所有項目” is not a literal rendition of the English text. After careful examination, we are satisfied that the Chinese text delivers the same meaning as the English text and there is no difference in meaning.

Clause 3(7) – repeal of definitions

- (c) The “first horse race betting conductor” and “first horse race betting licence” refer respectively to the licensee of the first horse race betting licence and the first licence issued under section 6GB after the commencement of that section back on 15 August 2006. Both terms are repealed because they are only relevant in the context of the guarantee introduced by the Betting Duty (Amendment) Ordinance 2006. Besides, to facilitate inbound and outbound commingling, we will introduce “specified horse race betting conductor” to replace “first horse race betting conductor”, which means the licensee that has been issued with a licence under section 6GB that is in force on 1 September 2013, and is authorized under that section to conduct betting on horse races, whether by that licence or another licence.

“Race meeting”, “relevant cancelled race meeting” and “shortfall of race meetings” are repealed because they are only relevant in the context of sections 6GG and 6GP which will be repealed by the Bill. “Related person” is repealed because it is used in the definition of “relevant cancelled race meeting” which will be repealed as explained above.

“Specified place” is repealed because it is only relevant in the context of section 6GD(2) and (3) which will be repealed by the Bill.

Clauses 7, 10 and 14 – repeal of sections 6GE, 6GG and 6GP

- (d) The three-year period of the guarantee introduced by the Betting Duty (Amendment) Ordinance 2006 had expired on 31 August 2009.
- (e) Sections 6GE, 6GG and 6GP are related to the three-year guarantee introduced by the Betting Duty (Amendment) Ordinance 2006, which had expired as indicated in (d) above. As part of the current legislative proposal, the Administration will require a new amount of guarantee under new conditions as provided in new sections 6GEA and 6GGA.

The current legislative proposal only affects certain types of bets, viz., non-local bets placed on local races and local bets placed on non-local races. As explained in paragraph 8 of the Legislative Council Brief, the proposed elimination of the betting duty on non-local bets placed on local races under the inbound commingling arrangement should not have any material impact on government revenue. As such, the Government considers that a guarantee on government revenue in this respect is not necessary. On the other hand, the proposed new betting duty structure for local bets placed on non-local races may lead to reduction in betting duty revenue for the Government (please refer to paragraph 16 of the Legislative Council Brief). To ensure no revenue loss in the initial period of the new commingling arrangements, the Bill proposes to introduce a new guarantee for a period of three years whereby the annual amount of betting duty receipts arising from local bets placed on non-local races receivable by the Government would be the actual amount as computed based on the relevant provision under the BDO or the proposed guaranteed amount of \$175 million, whichever is the higher (please refer to paragraphs 18 and 19 of the Legislative Council Brief for details).

Yours sincerely,



(Miss Winnie Tse)

for Secretary of Home Affairs

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