

20 May 2013 1:40

No. 3038 P. 1

Chairman
Bills Committee on Betting Duty (Amendment) Bill 2013
Legislative Council
Hong Kong SAR

18 May 2013

Submission on Betting Duty (Amendment) Bill 2013

Dear Chairman

I have been involved in horseracing in Hong Kong as a horse owner for 25 years. During this time, I have witnessed the development of the sport in Hong Kong from a somewhat amateurish affair to become a truly professional industry. Today, Hong Kong can proudly enjoy its status as the world's best horseracing city.

As with all aspects of society, horseracing has grown to become highly internationalised, with horses competing in different markets and fans enjoying overseas races. This is an exciting development for horse owners like myself as my horses can gain international exposure and experience. Equally important, people from all over the world also get to appreciate the professionalism and high standards of Hong Kong's horseracing.

Yet, despite having a great reputation as a horseracing city, Hong Kong's development as an international capital of horseracing has been held back by the lack of a commingling regime. Commingling is a global trend and Hong Kong is lagging behind. Most of the major racing jurisdictions have already implemented two-way commingling. This makes Hong Kong the last major racing jurisdiction not to have adopted this international practice.

Indeed, the continuing internationalisation of the sport means that horseracing has become an "export business", where the goal is to present not just a lively product, but also a fair way for fans around the world to

Page 1 of 2

20 May. 2013 1:40

No. 3098 P. 2

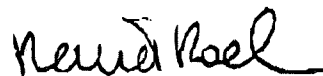
participate. This will in turn enhance the opportunities of international exposure for my horses and for all horses competing in Hong Kong.

As a horse owner, I would like fans of my horses to have access to the same odds when they compete in overseas races. At present, I fear fans of locally based horses are turned off by not having access to the same odds. Moreover, I deeply resent unscrupulous, unauthorised operators taking advantage of the current lack of commingling to make unfair gains from the arbitrage of odds, thereby indirectly robbing from racing fans.

As a stakeholder in the local horseracing industry, I am also concerned that the lack of commingling could eventually threaten the sport's development because maximising the exposure of Hong Kong races is crucial to the long term sustainability of the industry, which support thousands of racing professionals, including trainers, jockey, mafus and more.

More broadly speaking, as a member of the Hong Kong community, I firmly believe that Hong Kong could ill afford not to introduce commingling. Major overseas racing jurisdictions have started commingling on a reciprocal basis while offshore betting hubs are being established to erode Hong Kong pools. If nothing is done, offshore and illegal betting could have a negative impact on industry, resulting in a significant loss of tax revenue for the Government.

In sum, I believe the introduction of two-way commingling would benefit horseracing in Hong Kong and the community at large.



David Boehm
Horse Owner

Page 2 of 2