For discussion on 9 June 2025

Legislative Council Panel on Home Affairs, Culture and Sports

Proposed Regulatory Regime on Basketball Betting

PURPOSE

This paper briefs Members on the outcome of the public consultation on the regulatory regime on basketball betting, and seeks Members' views on the proposed amendments to the Betting Duty Ordinance (Cap. 108) ("Ordinance").

BACKGROUND

- 2. As a matter of policy, the Government does not encourage gambling. To address gambling-related problems, the Government adopts a multi-pronged strategy, including regulation of gambling activities through legislation, law enforcement against illegal gambling activities, public education on the harms of gambling addiction and provision of counselling and support services for people in need.
- 3. On regulation through legislation, the Government's longestablished policy is to restrict the gambling activities to a limited number of authorised and regulated outlets. The policy objective of such authorisation is to address the actual and persistent public demand for certain gambling activities which is being satisfied by illegal means and the issue of which cannot be tackled by law enforcement alone.
- 4. In recent years, quite some members of the public have expressed concerns about the problem of illegal basketball betting in Hong Kong. To combat illegal betting activities, the Financial Secretary announced in the 2025-26 Budget Speech that the Government would explore regulating basketball betting activities and invite The Hong Kong Jockey Club ("HKJC") to submit a proposal.
- 5. Against this background, the Home and Youth Affairs Bureau had reviewed the proposal submitted by HKJC and a range of issues relating

to illegal basketball betting, and proposed establishing a regulatory regime for basketball betting by modelling on the existing regime for football betting. The Government has launched a one-month public consultation on the proposed regulatory regime on basketball betting from 2 April to 2 May 2025. The relevant public consultation document is at the **Annex**.

6. During the public consultation period, the Government received a total of 1 063 submissions, mainly submitted by e-mail. Among these, 999 submissions (accounting for 94.0% of the total) expressed support or positive views; 28 submissions (accounting for 2.6% of the total) did not clearly indicate a stance; and 36 submissions (accounting for 3.4% of the total) opposed the proposal. The result of the public consultation indicates that the regulatory regime on basketball betting received overwhelming support from respondents, with some even urging the Government to expedite the legislative process for faster implementation of the regulatory regime on basketball betting. The Government has carefully considered all submissions received during the consultation, and a summary of relevant opinions is set out in the ensuing paragraphs.

OUTCOMES OF PUBLIC CONSULTATION

- 7. A vast majority of the respondents (accounting for 94% of the total) supported the Government to regulate basketball betting activities. The supporting submissions were primarily submitted by individuals, including scholars from tertiary institutions, current or retired athletes, lawyers, and others. Supporting organisations also came from various sectors, including multiple sports groups and youth organisations.
- 8. The major arguments put forward by those supporting the Government's regulation of basketball betting activities are as follows —
- (1) Positive social impacts of regulating basketball betting
 - (a) Public demand for basketball betting has increased significantly. The proposed measures can help combat illegal gambling, thereby reducing the criminals' sources of income, which will be conducive to public order;
 - (b) Protecting bettors' rights and interests by providing them a safe and regulated environment, preventing them from breaching the law or incurring heavy debts due to illegal credit betting;

- (c) Many jurisdictions already permit legal basketball betting, and the proposal is in line with the international trends;
- (d) After regulating basketball betting activities, HKJC may donate part of the additional revenue to welfare and charitable purposes, thereby further enhancing HKJC's commitment to charitable causes;
- (e) The proposal can create more job opportunities and promote the development of the sports industry;
- (f) Introducing additional legal betting options can increase the Government's revenue from betting duty, enabling the Government to allocate more resources for people's livelihood and welfare; and

(2) Support for the proposed regulatory regime

- (a) The views supported the formulation of a regulatory regime for basketball betting by making reference to the existing football betting regime which has been working effectively;
- (b) Having HKJC as the only licensed operator can prevent stimulating betting demand due to competition; and
- (c) The views supported that the Government imposes restrictions in the proposed licence, including prohibiting betting on basketball matches involving Hong Kong teams (irrespective of where the basketball matches take place), and matches that take place in Hong Kong (regardless of whether Hong Kong teams are involved), so as to promote a betting-free and healthy environment for the basketball sport.
- 9. In addition, the vast majority of supporters also agreed that regulating basketball betting activities by the Government would divert the existing demand for gambling into a safe and regulated channel, thereby combatting illegal gambling. Some also pointed out that illegal gambling was covert, and those addicted to illegal basketball gambling might be reluctant to seek help. After the regulation on basketball betting activities, such individuals may be more willing to receive counselling and other services. Furthermore, some also pointed out that the Government can gather the data related to basketball betting more effectively. The

Government will then be able to make more targeted policy interventions, and step up its efforts in publicity, education and counselling services.

- 10. Among the submissions received, 36 submissions (accounting for 3.4% of the total) objected the Government's proposed regulatory regime on basketball betting. These submissions were primarily submitted by individuals.
- 11. The major arguments put forward by the objectors are as follows:
 - (a) Basketball betting mainly targets at young people. Regulation of basketball betting activities will have adverse impact on the youth, and more young people will be encouraged to participate in gambling;
 - (b) The Police is obliged to combat illegal betting. Moreover, illegal gambling still exists after regulating football betting activities. Therefore, the effectiveness of regulating betting activities in combatting illegal betting is doubtful;
 - (c) Gambling addiction may trigger emotional problems, such as anxiety and depression. After regulation, the problem of gambling addiction may become more severe, with an increased number of gamblers with gambling disorder, thereby creating social problems; and
 - (d) An activity which promotes physical and mental health should not become a form of betting.
- 12. The Government has taken note of the above views. As stated in the consultation document, notwithstanding the provision of betting activities by HKJC in recent years, the impact on young people remains steady. Specifically, in the past five years, the number of people aged 18 or below seeking help consistently accounted for 1-2% of the total number of persons receiving counselling or treatment from the four counselling and

treatment centres ("counselling centres")² funded by the Ping Wo Fund ("PWF")¹. Moreover, according to HKJC, the proportion of bettors in the 18-21 age group has consistently remained below 2% in the past five years, indicating that the impact of the additional betting activities on young people has been minimal. Furthermore, since the legalisation of football betting in 2003, it has diverted back to the legal channel over HK\$1,581 billion of turnover, which would have continued to flow into the unregulated and illegal gambling market without the regulation. The legalisation of football betting also generated betting duty of over HK\$116 billion. Thus, it is evident that the regulatory regime is able to combat illegal betting. Besides, the Government will continue to take law enforcement actions against illegal gambling after the implementation of the regulatory regime on basketball betting.

In fact, the Government well recognises that education work for 13. young people and provision of appropriate support for people with gambling-related problems and their family members are of utmost importance. To this end, the Government and the Ping Wo Fund Advisory Committee ("PWFAC"), apart from regularly examining and reviewing the work of the counselling centres, have continued to increase the funding for the four counselling centres to ensure that they will be able to continue to optimise their work and maintain the delivery of high-quality services, including providing professional counselling, treatment and support services, public education and training programmes, amongst others. Upon the implementation of the basketball betting regulatory regime, the Government will continue to closely collaborate with PWFAC to strengthen publicity and counselling for young people. In addition to the existing four funded counselling centres, the Government will allocate additional resources to establish a new centre dedicated to providing counselling and

The Government established the Ping Wo Fund in 2003 to finance preventive and remedial measures to address the gambling-related problems. The measures include providing telephone counselling, face-to-face counselling, professional treatment and other support services for people with gambling disorder as well as their family members and friends.

These include (i) Tung Wah Group of Hospitals Even Centre; (ii) Caritas Addicted Gamblers Counselling Centre; (iii) Zion Social Service Yuk Lai Hin Counselling Centre; and (iv) Sunshine Lutheran Centre of the Hong Kong Lutheran Social Service.

support services for youth. We will also review other aspects of the work of PWF, including that of the four counselling centres, as well as other public education and publicity work, with a view to enhancing their respective service efficacy through various means. In particular, public education efforts will be strengthened to emphasise to young people that participating in illegal gambling, betting with an illegal bookmaker, is already an offence.³

14. Both the supporters and objectors have put forward various suggestions on the regulatory measures and the relevant issues, which are set out by categories in the ensuing paragraphs.

Regulatory Measures

- 15. Many agreed that in regulating basketball betting activities, reference could be made to the existing regime for football betting, which is proven to be effective. A few people proposed to establish an independent commission to monitor basketball betting activities. Some have suggested that the Government require HKJC to regularly provide relevant data to ensure the regulatory system keeps pace with the times.
- 16. Some have suggested reviewing existing ways of betting to mitigate the risk gambling addiction among the public. Such suggestions include implementing a real-name betting system and allowing bettors to set their own betting restrictions (such as setting a ceiling on the amount of bets and prohibiting betting for a certain period of time). They also put forward various proposals to minimise the negative impact of gambling on young people, for example, HKJC can strengthen the authentication of bettors' identity and their age (for instance, requiring facial recognition before placing online bets and shortening the idle time after logging in), prohibit those aged between 18 and 25 from placing online bets, or require restrictions on the amount and number of bets to be placed for those betting accounts.
- 17. The Government currently regulates HKJC's betting activities through the Betting and Lotteries Commission ("BLC"). Under the existing mechanism, HKJC is already required to regularly submit work reports for review by the Government and BLC. HKJC is also required to meet with the Government and BLC on a regular basis to report on its work

According to the Gambling Ordinance, an offender is liable to a maximum penalty of a \$50,000 fine and imprisonment for nine months.

progress and plans, so as to enable the Government and BLC to ensure that HKJC complies with the licensing conditions, as well as to facilitate review of the existing betting-related measures. The Government will continue to monitor the betting operation of HKJC in conjunction with BLC, and explore the suggestions on the ways of betting with HKJC.

Preventive and Educational Measures

- 18. Those in support of the Government's regulation of basketball betting activities generally agree with the adoption of the existing measures, including the imposition of conditions under the basketball betting licence issued, requiring HKJC to adopt measures to minimise the negative impact of gambling on the public (especially on young people). These licencing conditions include that the licensed operator must not accept bets from juveniles; must not accept credit betting; must display notices reminding the public of the seriousness of the problems caused by excessive gambling and provide information on the services available for those with gambling disorder; and must not, in conducting any promotional activities, target juveniles, exaggerate the likelihood of winning or impliedly suggest that betting is a source of income.
- 19. A number of respondents suggested that the Government could consider strengthening engagement with non-governmental organisations ("NGOs") and schools, in order to step up publicity and education targeting young people through social media, advertisements, talks, workshops and publicity trucks. HKJC will also need to continue enhancing its publicity efforts on responsible gambling, and provide more relevant training for its frontline staff.
- 20. The Government has been conducting public education and awareness campaigns through PWF to promote anti-gambling messages to the public (including young people), aiming to raise public awareness on the harms caused by gambling addiction. In order to strengthen the promotion of anti-gambling messages to young people, PWF has been funding NGOs and schools to organise anti-gambling publicity and education activities through two annual sponsorship schemes, namely the Ping Wo Fund Sponsorship Scheme and the Ping Wo Fund School Project Grants. Considering that young people mainly receive information from online media, in recent years, PWF has enhanced its publicity efforts made via online and social media platforms, such as advertising on online platforms and mobile applications, as well as producing online promotional short videos with a view to reach and engage young people with anti-gambling messages in a more in-depth and comprehensive manner. As stated in

paragraph 13, the Government will review the work of PWF, and strengthen collaboration with PWFAC to closely monitor and respond to the gambling situation in Hong Kong, as well as optimising the work on prevention and mitigation of gambling-related problems as appropriate. We will also request HKJC to step up its responsible gambling measures, particularly on bolstering youth education.

Counselling, Treatment and Other Support Services

- 21. Some respondents expressed concerns about individuals with gambling disorder, and suggested that the Government provide more resources for problem gambling counselling and treatment services to ensure those in need receive appropriate support and treatment. Some also suggested earmarking resources to provide regular professional training for gambling counsellors and social workers to better address various problems arising from gambling addiction.
- 22. As mentioned in paragraph 13 above, the Government will review the work of PWF, including that of the four counselling centres, in order to enhance the service efficacy of counselling, treatment and other support services through various measures. In doing so, the Government will collaborate closely with PWFAC.

Duty Revenue and HKJC's Charitable Donations

- 23. Some respondents said that with the implementation of the Government's regulation of basketball betting activities, the revenue of HKJC, whom being the only licensed operator, will increase accordingly, and the Government's revenue from betting duty is also expected to increase. Therefore, they suggested the Government and HKJC deploy additional resources to support sports development (particularly basketball and youth-related activities). Some also suggested that HKJC should sustain its contributions to the community to fulfil its social responsibility, and further increase its funding support to PWF.
- 24. The Government will request HKJC to continue to increase its donation to PWF to further strengthen the preventive and remedial efforts to address gambling-related problems. As for other views concerning HKJC, we will consolidate the suggestions received and forward them to HKJC for their consideration.

WAY FORWARD

25. After thorough consideration of the views received during the public consultation, the Government now proposes to establish a regulatory regime for basketball betting activities by modelling on the existing regime for football betting, as set out in Chapter 4 of the public consultation document.

LEGISLATIVE PROPOSALS

- 26. Specifically, the Government proposes establishing a regulatory regime for basketball betting activities through the Ordinance. The major proposed amendments are set out below:
 - (a) The Secretary for Home and Youth Affairs will be granted the power to issue a licence to a company for basketball betting, and to impose licensing conditions so as to minimise the negative impact of gambling on the public, especially on young people;
 - (b) The same approach on calculation and collection of betting duty, which is currently charged at 50% of the net stake receipts for football betting, will be adopted for basketball betting; and
 - (c) The functions of BLC will be expanded to cover matters relating to basketball betting.
- 27. Under the aforementioned regulatory regime, major licensing conditions, mirroring those relating to football betting, of the proposed regulation of basketball betting activities will also be imposed to minimise the negative impact of gambling on the public (especially on young people). Major licensing conditions of the proposed regulation of basketball betting activities are as follows:
 - (a) A fixed duration must be set on the licensing period;
 - (b) The Government may impose restrictions on the number of bet types and classes of competitions;
 - (c) The licensed operator must not accept bets on basketball matches involving Hong Kong teams and/or matches that take places in Hong Kong, so as to promote a betting-free and healthy environment for the sport in Hong Kong;

- (d) The licensed operator must not accept bets from juveniles;
- (e) The licensed operator must not accept credit betting;
- (f) The licensed operator must display notices reminding the public of the seriousness of excessive gambling, and provide information on the services available for those with gambling disorder.

ADVICE SOUGHT

28. Members are invited to note the outcomes of the public consultation on the regulatory regime on basketball betting and express their views on the proposed regulatory regime on basketball betting and the relevant legislative proposals.

Home and Youth Affairs Bureau June 2025

Annex

Regulatory Regime on Basketball Betting Consultation Document

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Chapter 1: Introduction

- 1.1. The Government attaches great importance to the prevention and alleviation of gambling-related problems, and has adopted a multi-pronged strategy including regulation through legislation, law enforcement against illegal gambling activities, public education on the harms of gambling addiction and provision of counselling and support services to people in need.
- 1.2. On regulation through legislation, the Government's longestablished policy is to restrict the gambling activities to a limited number of authorised and regulated outlets. The policy objective of such authorisation is to address the actual and persistent public demand for certain gambling activities which is being satisfied by illegal means and the issue cannot be tackled by law enforcement alone.
- 1.3. In recent years, quite some members of the public have expressed concerns about the problem of illegal basketball betting in Hong Kong which has grown increasingly popular both in terms of the number of people participating in it and the turnover involved.
- 1.4. To combat illegal betting activities in an effective manner, the Financial Secretary announced in the **2025-26 Budget Speech** that the Government will explore regulating basketball betting activities and invite The Hong Kong Jockey Club ("HKJC") to submit a proposal.
- 1.5. Against this background, the Home and Youth Affairs Bureau ("HYAB") has reviewed the proposal submitted by HKJC and a range of issues relating to illegal basketball betting, and propose establishing a regulatory regime for basketball betting by modelling on the existing regime for football betting. This would necessitate amendments to the Betting Duty Ordinance (Cap. 108) ("BDO").
- 1.6. This consultation document sets out the background of the Government's established gambling policy, observations regarding the trend of illegal basketball betting, as well as the details of the proposed regulatory regime for basketball betting.

1.7. The Government welcomes views from members of the public on the proposal (submission form at <u>Annex</u>). The deadline for submission is 2 May 2025 (Friday). Please send the submissions by post (date of the stamp chop will be taken as the submission date), fax or e-mail to:

Address: 13/F, West Wing,

Central Government Offices,

2 Tim Mei Avenue, Tamar, Hong Kong

(Attention: Home Affairs Division, Home and

Youth Affairs Bureau)

Fax No.: 2591 6002

E-mail ha@hyab.gov.hk

1.8. Please note that the submissions received may be made available to the media and the public unless parties concerned have advised otherwise.

Chapter 2: Gambling Policy and Multi-Pronged Approach in Addressing Gambling-Related Problems

The Gambling Policy

- 2.1. As a matter of policy, the Government does not encourage gambling. There is however undeniably **an actual and persistent demand** for gambling in Hong Kong which, if left unregulated, would likely give rise to illegal gambling activities and associated social problems and other criminal activities. Meanwhile, it is impossible to reconcile the different views in the community on the extent to which authorised gambling outlets should be allowed to exist.
- 2.2. As such, the Government adopts a pragmatic approach by allowing only a limited number of authorised gambling outlets. At present, such authorised gambling outlets include horse racing, football betting and Mark Six Lottery as organised by HKJC, as well as certain gaming activities authorised by the public officer appointed by the Secretary for Home and Youth Affairs under the Gambling Ordinance (Cap. 148) (e.g. mahjong parlours).
- 2.3. Generally speaking, when assessing the need to authorise new betting activities, the following three factors will be taken into account:
 - (i) there is an actual and persistent demand from the public for a certain type of betting activity;
 - (ii) the above demand is now being satisfied by illegal means, and the problem cannot be practically and fully tackled by law enforcement action even with the devotion of substantial resources; and
 - (iii) the proposed authorisation of such type of betting activity is supported by the community.
- 2.4. These criteria ensure that any decision to regulate new betting activities is made with careful consideration of societal impact and public interest. They are also consistent with the approach taken in assessing the addition of betting activities in the past, notably the regulation of football betting in the early 2000s. The policy strikes a balance between the demand for gambling and the concerns about the negative impact of gambling, and is well-accepted by the community.

Multi-Pronged Approach in Addressing Gambling-Related Problems

(a) Regulatory Regimes for Betting Activities

- 2.5. According to the BDO, the Secretary for Home and Youth Affairs may, by issuing a licence to a company, authorise the company to conduct horse race betting, football betting and/or lotteries. All along, HKJC is the only licensed operator under the BDO as having more than one operator may lead to competitions among operators and stimulate betting demand which is not in line with our gambling policy.
- 2.6. Over the years, the regulatory regime has generally been effective in combatting illegal betting activities. Some of the examples are set out in the ensuing paragraphs.
- 2.7. In 2003, the Government regulated football betting through enactment of the Betting Duty (Amendment) Ordinance 2003 and licensed HKJC as the operator of football betting. According to HKJC, since the legalisation of football betting in 2003, it has diverted back to the legal channel over \$1,581 billion of turnover, which would have continued to flow into the unregulated and illegal gambling market without the regulation, and generated over \$116 billion betting duty, demonstrating the effectiveness of the regulatory regime.
- 2.8. As regards horse race betting, the Government has also approved proposals from HKJC for increasing horse race betting activities in the past years with a view to combatting illegal betting. Each approval was followed by effective channelisation of illegal gambling to the regulated betting channel.
- For instance, in 2021, approval was given for HKJC to increase the 2.9. maximum number of simulcast occasions on non-local race days ("simulcast days") per year from 23 to 37, and to conduct the simulcast days during the summer break (i.e. from 17 July to 31 August). Prior to this approval, there was a noticeable surge in illegal gambling activities during summer months when no legal betting options were available. According to HKJC, one of the prominent illegal horse race betting operators targeting Hong Kong bettors had its average weekly traffic volume increased by 46% during summer breaks between the 2016/17 and 2017/18 racing seasons comparing to their average traffic volume during Hong Kong's racing season. Following the introduction of additional simulcast days in summertime, HKJC observed a significant decline in website traffic of illegal gambling Specifically, the traffic to these sites during the summer of 2024 platforms.

decreased by 41% compared to the summer of 2020 (i.e. before simulcast days were allowed to be conducted during summertime). This demonstrates the effectiveness of providing legal betting alternatives in curbing illegal gambling activities.

2.10. Notwithstanding the provision of the above betting activities over the past years, it is worth noting that the impact on young people remains steady. Specifically, the proportion of bettors in the 18-21 age group has consistently remained below 2% in the past five years, indicating that the impact of the additional betting activities on young people has been minimal.

(b) Law Enforcement Against Illegal Gambling Activities

- Illegal online gambling operations are frequently linked to organised crime networks, both local and transnational, and may serve as hubs for ancillary criminal activities such as fraud, money laundering, and coercive To address these threats, the Hong Kong Police Force ("HKPF") employs a multi-pronged strategy. Units across frontline and headquarters levels, including the Organized Crime and Triad Bureau, conduct proactive cyber patrols and intelligence-gathering operations to disrupt illegal bookmaking syndicates. Collaborating divisions further support these efforts by collecting data through public tip-offs, financial audits, and digital forensics. Enforcement actions target not only syndicate leaders and platform operators but also lower-tier participants, such as agents and stooge account holders. Between 2024 and February 2025, intelligence-led operations successfully dismantled six major local gambling These crackdowns led to the arrest of 107 individuals and the seizure of around \$2 billion worth of betting records related to illicit sports wagering and online casino games. Such coordinated measures underscore HKPF's commitment to disrupting the financial and operational foundations of organised crime in the illegal online gambling sector.
- 2.12. To address the threats posed by transnational syndicates, HKPF collaborates with INTERPOL and other international law enforcement agencies, sharing intelligence and conducting joint operations. HKPF investigates illegal gambling websites both within and outside Hong Kong, taking action once sufficient evidence is gathered. In addition to capacity-building initiatives, such as internal training programmes, HKPF also enhances frontline officers' awareness of evolving online gambling trends and sharpens their investigative capabilities. On the public education front, HKPF allocates resources to public campaigns during major sporting events, particularly the FIFA World Cup and UEFA European Football Championship, to raise awareness about the risks of illegal gambling and its

links to money laundering.

(c) Public Education and Provision of Counselling and Support Services

- 2.13. Another key component of the multi-pronged strategy in addressing gambling-related problems concerns the public education and provision of counselling and support services. On this front, the Government established the Ping Wo Fund ("PWF") in 2003. The PWF serves as a critical resource for financing both preventive and remedial measures to address the gambling-related problems. The Ping Wo Fund Advisory Committee ("PWFAC") was also established to provide advice to the Secretary for Home and Youth Affairs on the use and application of the PWF.
- 2.14. The PWF has been funding four counselling and treatment centres ("counselling centres") 1 to provide telephone counselling, face-to-face counselling, professional treatment and other support services for people with gambling disorder as well as their family members and friends. four counselling centres also assist in the operation of the gambling counselling hotline (183 4633) and answer enquiries from those in need and the members of the public through their instant messaging applications and social media platforms. Furthermore, the counselling centres organise staff and professional training programmes, while actively engaging with schools and the broader community to educate students and the general public about how to prevent and address gambling-related issues. It is worth noting that there is no obvious rising trend in the number of clients who sought and received counselling and treatment services provided by the counselling centres in recent years, which is about 2 500 in 2019 (before the pandemic) and some 2 600 in 2024. This may be an indicator that the problem of gambling disorder has not worsened.
- 2.15. In addition to providing counselling and support services to individuals affected by gambling as well as their family members, the PWF has consistently prioritised public education and awareness campaigns to raise public awareness on the harms of gambling addiction, and to increase public knowledge of the services available, enabling those in need to seek help at an early stage. These public education measures include but are not

They include (i) Tung Wah Group of Hospitals Even Centre; (ii) Caritas Addicted Gamblers Counselling Centre; (iii) Zion Social Service Yuk Lai Hin Counselling Centre; and (iv) Sunshine Lutheran Centre of the Hong Kong Lutheran Social Service.

limited to the implementation of two annual funding schemes, which provide financial support for NGOs and schools for organising public education programmes aimed at preventing and alleviating gambling-related problems. Other measures include a publicity truck programme, which tours around and pays visits to schools to educate the public on the harms caused by gambling addiction through multimedia exhibitions and interactive games, as well as other promotional efforts on traditional media and online platforms. The funding support on public education and other publicity measures (including those provided to schools) by the PWF to prevent and alleviate gambling-related problems is around \$18 million for 2025 and the amount is expected to further increase to step up the promotion.

- 2.16. Indeed, the PWF has been enhancing the accessibility of counselling services in recent years by introducing online counselling, as well as text messaging support. It has also expanded the service targets of counselling centres and strengthened promotional efforts through traditional media, online platforms, and social media. Additionally, the PWF also works towards reducing the stigma often associated with gambling, encouraging more people to reach out for assistance. This multi-channel approach and enhanced publicity have made it easier and more comfortable for individuals to seek help, such as discussing their gambling-related issues through counselling at an early stage.
- 2.17. The PWF will closely monitor the prevalence of gambling activities among the people of Hong Kong. In addition to providing appropriate counselling, treatment and other support services for individuals affected by gambling-related problems as well as their family members, the PWF will launch targeted public education and publicity campaigns to raise public awareness (particularly among young people) on the harms of gambling addiction, thereby mitigating its associated negative consequences. The Government will also review the work of the PWF, including that of the four counseling centres, as well as other public education and publicity work, with a view to enhancing their respective service efficacy. In doing so, the Government will strengthen the collaboration with PWFAC to closely monitor and respond to the gambling situation in Hong Kong, as well as to optimise its work as appropriate to achieve the objective of preventing and mitigating gambling-related problems.

Chapter 3: Proliferation of Illegal Basketball Betting Activities

- 3.1. While the multi-pronged strategy has generally been effective in addressing the gambling-related problems, challenges remain as the technology advancement in recent years have made online illegal bookmaking easier and more accessible.
- 3.2. Specifically, HKPF has observed a notable rise in online illegal gambling, driven by the COVID-19 pandemic and technological advancement. Technological factors have significantly reduced the costs of establishing, operating, promoting, and relocating² illegal betting platforms, accelerating the shift of unlawful gambling and bookmaking activities to the digital world. Popular betting options on these platforms include major sporting events such as football, horse racing, and basketball. The high accessibility of these platforms, coupled with streamlined payment processes, has resulted in the majority of illegal sports betting transactions now occurring online.
- 3.3. According to HKJC, the illegal basketball betting has grown at an alarming rate that makes it one of the most popular forms of sports betting after football and horse race betting. HKJC reported that around 100 000 to 150 000 Hong Kong bettors bet illegally on basketball in 2023, representing a 68% year-on-year increase. The estimated annual illegal betting turnover recorded ranged from \$32 billion to \$34 billion. That said, with the advancement of technology which has rendered illegal online gambling platforms more accessible to the general public, according to the latest information provided by HKJC, the number of illegal basketball bettors soared by 186% in 2024, with around 430 000 Hong Kong residents having betted illegally on basketball in 2024. The illegal market turnover for basketball betting in 2024 was estimated to be around \$70 billion to \$90 billion, representing a 119% to 165% surge.
- 3.4. Regarding the willingness of illegal bettors to transition to legal platforms, HKJC noted that 49% of illegal basketball bettors would switch their bets to HKJC if basketball betting were offered by HKJC legally,

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To evade detection by authorities, illegal operators operate a large number of "mirror websites" which allow them to migrate customers seamlessly if one site is blocked.

according to the latest research conducted by Oxford Economics³.

- 3.5. As explained in Chapter 2, HKPF has consistently monitored illegal gambling trends and conducted targeted, intelligence-led operations to combat these activities. However, the rapid digitalisation of illegal gambling, including basketball betting and its associated transaction systems, significantly complicated HKPF's enforcement efforts. technological advancement and relatively low financial costs of creating and migrating illegal gambling websites across servers and domains have rendered website-blocking measures largely ineffective. Additionally, the use of micro-transactions facilitated by digital banking and stored-value tools has increased the covert nature of these operations. challenges arise from criminals leveraging Virtual Private Networks (VPNs) and cryptocurrencies, which anonymise activities and transactions, and hinder law enforcement tracking. These difficulties mirror the global challenges faced by law enforcement agencies in combating crimes of similar nature.
- 3.6. Against such backdrop, a timely policy intervention to regulate basketball betting is considered necessary.

³ A leading global economic advisory firm.

Chapter 4: Proposed Regulatory Regime on Basketball Betting

Authorisation of Basketball Betting

4.1. The Government proposes to regulate basketball betting through a comprehensive framework that addresses illegal basketball betting activities with safeguards to protect public interests by making reference to the existing regime on regulating football betting. The proposal involves amendments to the BDO, followed by the issuance of a licence to one operator to conduct basketball betting under conditions to be imposed by the As explained in paragraph 2.5 above, having only one operator is the established practice so as not to stimulate betting demand and has been working well. With HKJC's successful experience in operating horse race betting and football betting, we will issue the basketball betting licence to HKJC if basketball betting is authorised. This proposed regulatory framework through legislative amendments and issuance of licence mirrors the existing regimes for horse race betting, football betting and Mark Six Lottery, ensuring consistency and effectiveness in policy monitoring and law enforcement.

Protection of Juveniles

- 4.2. The Government attaches great importance to preventing gambling-related problems, particularly among youth. At present, a number of conditions have been imposed under the licences of horse race betting, football betting and Mark Six Lottery issued to HKJC to require its adoption of measures to minimise the negative impact of gambling on the public, especially on young people. These conditions include that HKJC shall not accept bets from juveniles; shall not accept credit betting; shall display notices reminding the public of the seriousness of excessive gambling and provide information on the services available for those with gambling disorder; and shall not, in conducting any promotional activities, target juveniles, exaggerate the likelihood of winning or impliedly suggest that betting is a source of income.
- 4.3. These stringent legal and regulatory restraints will continue to be put in place in the proposed basketball betting regime.

Power to Authorise Basketball Betting by Licence

- 4.4. Mirroring the regulatory regime for football betting, we propose that the Secretary for Home and Youth Affairs be granted the power to issue a licence to the operator of basketball betting. This allows the Government to impose and modify licensing conditions as necessary, including enforcing sanctions for non-compliance with the licensing conditions. Such mechanism will also enable the Government to closely monitor the operator's implementation and operation of basketball betting, while allowing for the review and adjustment of gambling policies in response to evolving social circumstances.
- 4.5. In addition to setting a fixed duration on the licensing period, various licensing conditions will also be imposed modelling on the football betting regime. For instance, the licence will impose restrictions on the number of bet types and classes of competitions that the operator may offer during the prescribed licensing period. The operator is expected to make reference to a number of factors in deciding the bet types to be offered and the classes of competitions to be covered, including the prevailing trend of the illegal basketball betting market and integrity of the competitions. Similar to the football betting regime, the basketball betting operator will be required to submit the bet types and classes of competitions to the Government for agreement before the launch.
- 4.6. Furthermore, mirroring the football betting regime, betting on basketball matches involving Hong Kong teams irrespective of where the basketball matches take place, and matches that take places in Hong Kong regardless of whether Hong Kong teams are involved, will be prohibited unless prior approval is obtained from the Secretary for Home and Youth Affairs. This measure aims to protect the integrity of local basketball leagues and prevent the risk of match-fixing. This will also help promote a betting-free and healthy environment for the sport in Hong Kong.

Implications of the proposal

4.7. As elaborated in Chapter 2, the regulation of football betting since 2003 has generally been effective in channelising illegal betting demand to the legal channel. By modelling on the existing football betting regime, it is envisaged that the proposed regulatory regime for basketball betting will help combat the illegal basketball betting activities by channelising the illegal demand to the legal channel.

- 4.8. In addition, as explained in paragraph 4.1, the chance of stimulating betting demand by the proposal is expected to be limited since the Government will only issue one licence for the conduct of basketball betting.
- 4.9. Separately, by imposing the requirements on protection of juveniles as elaborated in paragraph 4.2 and having regard to the information provided by HKJC that the proportion of young bettors aged between 18 and 21 over the years remains steady, it is expected that the proposal will provide effective safeguards for young people. Indeed, according to HKJC, it has implemented stringent measures to prevent underage betting under its responsible gambling ("RG") policy at present. For instance, it has imposed stringent access control at all of its Off-Course Betting Branches ("OCBBs") and racecourses. Additionally, betting account registration must be completed with valid proof of age, and multiple verification steps are required for subsequent account access. Warning messages about underage and excessive gambling are prominently displayed at all OCBBs, on HKJC's betting websites, and in betting-related marketing materials. Should HKJC be authorised to conduct basketball betting under the proposed regulatory regime, HKJC is expected to continue to strengthen its efforts in promoting RG.

Chapter 5: Way Forward

- 5.1. The proposed regulation of basketball betting aims to tackle illegal basketball gambling activities by channelling illegal betting behaviours into a controlled and regulated environment, building on the success of previous initiatives. Notwithstanding that, the Government will continue to adopt **the multi-pronged strategy** to address gambling-related issues, combining regulation over gambling activities through legislation, law enforcement against illegal gambling, public education and publicity on harms of gambling addiction, and provision of counselling and support services to people in need.
- 5.2. Public feedback gathered through this consultation will play a vital role in shaping the final policy, ensuring that it aligns with societal values and addresses the concerns of all stakeholders. Subject to the consultation outcome, if it is decided to implement the proposed regulatory regime for basketball betting, the Government will work closely with HKJC, HKPF, PWFAC and other stakeholders to ensure its effective implementation. In particular, the Government will request HKJC to further increase the donation to the PWF for stepping up public education programmes, as well as counselling and support services. The Government will also request HKJC to step up their RG measures, particularly on bolstering youth education.

Annex

Regulatory Regime on Basketball Betting Consultation Document

On the proposal to regulate basketball be comments are as follows:	petting activities, my / the Or	ganisation's
Name	:	
Representing organisation (if applicable)	:	
Contact no. / email address	:	
Date	:	
Signature	:	

Note: Please read the Personal Data Collection Statement on the next page.

Personal Data Collection Statement

It is voluntary for any members of the public to provide his/her personal

data as requested in this submission form. Any personal data provided will only be

used by the Home and Youth Affairs Bureau for the purpose of understanding the

views of members of the public on the proposal. If necessary, the submission and

personal data collected may be transferred to other relevant Government bureaux or

departments for the purpose of handling the proposal.

The written submissions received may be published to the media and the

public. If you do not wish your name / your representing organisation's name

and / or your views to be disclosed, please specify in your submission.

For access to or correction of personal data contained in your submission,

please contact the Home and Youth Affairs Bureau in writing.

Address: 13/F, West Wing,

Central Government Offices,

2 Tim Mei Avenue, Tamar, Hong Kong

(Attention: Home Affairs Division, Home and Youth Affairs Bureau)

Fax No.: 2591 6002

E-mail: ha@hyab.gov.hk

Home and Youth Affairs Bureau

April 2025

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