

LEGISLATIVE COUNCIL BRIEF

Betting Duty Ordinance (Chapter 108)

BETTING DUTY (AMENDMENT) BILL 2025

THE HONG KONG JOCKEY CLUB'S PROPOSALS OF INCREASING NON-LOCAL HORSE RACE BETTING ACTIVITIES

INTRODUCTION

At the meeting of the Executive Council on 17 June 2025, the Council ADVISED and the Chief Executive ORDERED that the Betting Duty A (Amendment) Bill 2025 (“the Bill”) (“Proposal A”), at **Annex A**, should be introduced into the Legislative Council (“LegCo”). In addition, at the same meeting, the Council ADVISED and the Chief Executive ORDERED that The Hong Kong Jockey Club (“HKJC”)’s proposal (“Proposal B”) of –

- (a) increasing the maximum number of non-local races being simulcast on local race days (“simulcast races”) per season from existing 25 to 40 races for the 2025/26 racing season; and from 40 to 55 races from the 2026/27 racing season; and
 - (b) increasing the maximum number of non-local races being simulcast on non-local race days (“simulcast days”) from existing 37 to 53 days for the 2025/26 racing season; and from 53 to 70 days from the 2026/27 racing season,
- should be accepted.

JUSTIFICATIONS

2. As a matter of policy, the Government does not encourage gambling. There is however 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 widely acknowledged that there are different views in the community on the extent to which authorized gambling outlets should be allowed to exist.

3. Thus, the Government adopts a pragmatic approach by allowing only a limited number of authorized gambling outlets. At present, such authorized gambling outlets include horse racing, football betting and Mark Six Lottery as organised by HKJC, as well as certain gaming activities authorized by the public officer appointed by the Secretary for Home and Youth Affairs (“SHYA”) under the Gambling Ordinance (Cap. 148) (e.g. mahjong parlours).

4. Generally speaking, when assessing the need to authorize new betting activities, the following three factors will be taken into account:

- (a) there is an actual and persistent demand from the public for a certain type of betting activity;
- (b) 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
- (c) the proposed authorization of such type of betting activity is supported by the community.

5. Specific justifications for each proposal are set out in the ensuing paragraphs.

For Proposal A:

6. 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.

7. Specifically, the Hong Kong Police Force (“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 relocating¹ 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.

8. 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 HK\$32 billion to HK\$34 billion. 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 HK\$70 billion to HK\$90 billion².

9. The rapid digitalisation of illegal gambling, including basketball betting and its associated transaction systems, has significantly complicated HKPF's enforcement efforts. The technological advancement and relatively low financial costs of creating and migrating illegal gambling websites across servers and domains have reduced the effectiveness of website-blocking measures. Additionally, the use of micro-transactions facilitated by digital banking and stored-value tools has increased the covert nature of these operations. Further 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 combatting crimes of similar nature.

10. Against this background, to step up combatting illegal betting activities in an effective manner, the Financial Secretary announced in the 2025-26 Budget

¹ 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.

² Representing a 119% to 165% surge.

Speech that the Government will explore regulating basketball betting activities and invite HKJC to submit a proposal. 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.

11. A public consultation on the proposal had been conducted from 2 April to 2 May 2025 and the response received indicated strong support from the public on the proposal. A summary of the consultation responses received is set out in paragraphs 23 to 27.

For Proposal B:

12. HKJC has pointed out that, with the improving standard of horse racing internationally, local racing fans have become more aware of and interested in prestigious non-local races, and that there exists strong demand for betting on these prestigious horse races, which is currently met by illegal channels, and has thus put up the proposals with a view to meeting the betting demand. We note the total amount on local bets on non-local races simulcast by HKJC had been increasing over the past five years. In particular, while HKJC was allowed to increase the maximum number of simulcast days per season from 23 to 37 in 2021 and the maximum number of simulcast races per season from 10 to 25 in 2023, the total amount of local bets on simulcast races increased by a large magnitude, i.e. from HK\$4,496 million in 2019/20 financial year to HK\$10,591 million in 2023/24 financial year, representing an increment of 135.6%. This is consistent with HKJC’s view that there exists strong demand for betting on non-local races.

13. To assess Proposal B’s effectiveness on diverting illegal demand back to the legal channel, reference is made to the previous approvals on the increases in simulcast betting opportunities in 2021³ and 2023⁴, respectively. With the addition of 14 simulcast days per season since the 2020/21 racing season, HKJC

³ The Executive Council (“ExCo”) advised and the Chief Executive ordered at the meeting on 26 January 2021 that HKJC’s proposal of increasing the maximum number of simulcast days per year by 14 (i.e. from 23 to 37) and allowing the additional simulcast days to take place during the summer break (i.e. from 17 July to 31 August) starting from 2021 should be accepted.

⁴ ExCo advised and the Chief Executive ordered at the meeting on 24 October 2023 that HKJC’s proposals of increasing the maximum number of simulcast races per year by 15 (i.e. from ten to 25) and the maximum number of non-local races per simulcast day from nine to 12 should be accepted.

has recorded a cumulative reduction of around 41% in illegal betting website visitations. Furthermore, with the addition of 15 simulcast races and the addition of maximum number of non-local races per simulcast day since the 2023/24 racing season, HKJC has recorded an average reduction of around 12% in illegal betting website visitations, reflecting that the introduction of additional authorized simulcast betting opportunities may help divert betting demand away from illegal betting channels.

14. Proposal B will also improve the reciprocation arrangements and help strengthen HKJC's position as the global hub for commingling⁵ and World Pool⁶. While we do not have a policy to promote the international standing of HKJC's horse racing, maintaining HKJC's position in the international horse racing industry is arguably in line with the Government's objective of telling good stories of Hong Kong.

15. A public consultation on the proposal had been conducted from 20 January to 21 February 2025 and the response received indicated strong support from the public on the proposal. A summary of the consultation responses received is set out in paragraphs 28 to 30.

LEGISLATIVE PROPOSALS (FOR PROPOSAL A)

16. We propose amending the Betting Duty Ordinance (Cap. 108) ("BDO") and the Betting Duty Regulations (Cap. 108 sub. leg. A) ("BDR") to establish a regulatory regime for basketball betting by modelling on the existing regime for football betting. Some major legislative amendments include:

- (a) SHYA will be granted the power to issue a licence to a company (which is to be HKJC) for basketball betting, and to impose licensing conditions so as to minimise the negative impact of gambling on the public,

⁵ For a particular horse race (either local or non-local), bets received in Hong Kong can either be managed by HKJC in a separate pool or be amalgamated with non-local bets received by overseas operator(s) to form a commingled pool and such an arrangement is regarded as "commingling"

⁶ The "World Pool" is a specific type of commingling which involves the amalgamation of local and non-local bets (usually from multiple jurisdictions) placed on non-local races simulcast by HKJC into a commingled pool under the HKJC's management.

especially on young people⁷;

- (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 the Betting and Lotteries Commission (“BLC”) will be expanded to cover matters relating to basketball betting.⁸

17. Further to establishing the aforementioned legislative regime, major licensing conditions, mirroring those relating to football betting, of the proposed regulation of basketball betting activities will also be imposed to protect juveniles, enable the Government to closely monitor HKJC’s implementation and operation of basketball betting, and allow for the review and adjustment of gambling policies in response to evolving social circumstances. Major licensing conditions 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; and
- (f) The licensed operator must display notices reminding the public of the seriousness of excessive gambling, and provide information on the

⁷ One of the enhanced measures introduced after the regulation of football betting was the establishment of the Ping Wo Fund (“PWF”) in 2003 to, among other things, provide counselling, treatment and other remedial or support services for gamblers with gambling disorder and those affected by them.

⁸ BLC is established in accordance with BDO. According to section 6E of BDO, the function of BLC is currently limited to matters relating to horse race betting, football betting and lotteries. With the implementation of a regulatory regime for basketball betting, BLC’s function should be expanded to cover such matter.

services available for those with gambling disorders.

OTHER OPTIONS

18. For Proposal A, as the existing provisions of BDO and BDR do not provide for the proposed regulatory regime of basketball betting activities, the only option is to amend them to provide for the relevant matters.

19. For Proposal B, we have considered not supporting HKJC's proposals, but have decided not to do so, because it could not address the rising local demand for betting on non-local horse races which may otherwise turn to illegal channels.

THE BILL (FOR PROPOSAL A)

20. The main provisions of the Bill are as follows –

- (a) **Clause 1** sets out the short title;
- (b) **Clause 3** amends the long title of BDO in view of the amendments made by the Bill;
- (c) **Clause 4** amends certain definitions in, and adds a definition to, BDO to reflect the proposed authorization of betting on basketball matches. In addition, that clause and **Clauses 7, 9 and 10** repeal obsolete references relating to guaranteed amount for non-local horse races;
- (d) **Clauses 5, 6, 17, 18 and 19** consequentially amend certain provisions of BDO to extend the scope of those provisions to cover authorized betting on basketball matches;
- (e) **Clauses 8, 11 and 16** respectively amend sections 6GB, 6I and 6X of BDO to revise the conditions relating to the display of notices on problem gambling in respect of a licence issued to a horse race betting conductor, football betting conductor and lottery conductor respectively;
- (f) **Clauses 12, 13 and 14** respectively make textual amendments to

sections 6K, 6L and 6P of BDO;

- (g) **Clause 15** adds to Part 3 of BDO a new Division 3B, which contains 16 new sections (new sections 6WG to 6WV);
 - (i) New section 6WG defines certain expressions used in that Division;
 - (ii) New section 6WH provides that SHYA may authorize a company (to be called a basketball betting conductor in BDO) to conduct betting on basketball matches;
 - (iii) New sections 6WI to 6WS concern the betting duty payable by a basketball betting conductor on the net stake receipts derived from the conduct of authorized betting on basketball matches, and deal with the following relevant matters—
 - 1. calculation and assessments of net stake receipts;
 - 2. making of provisional payments by the conductor;
 - 3. surcharges;
 - 4. appeal against assessments of net stake receipts; and
 - 5. holding over of basketball betting duty.
 - (iv) New sections 6WT and 6WU provide that a basketball betting conductor may place bets on basketball matches for the purpose of hedging. New section 6WV sets out the restrictions relating to basketball betting tickets;
- (h) **Clause 20** contains technical amendments to BDO to achieve internal consistency in terminology;
- (i) **Clause 23** adds a new regulation 3B to BDR to require a basketball betting conductor to submit returns on net stake receipts to the Collector of Stamp Revenue; and
- (j) **Clause 24** consequentially amends the Schedule to the Specification of Public Offices Notice (Cap. 1 sub. leg. C).

LEGISLATIVE TIMETABLE (FOR PROPOSAL A)

21. The legislative timetable will be as follows –

Publication in the Gazette	20 June 2025
First Reading and commencement of the Second Reading Debate	2 July 2025
Resumption of Second Reading Debate, committee stage and Third Reading	To be notified

IMPLICATIONS OF THE PROPOSALS

22. The proposals have financial and economic implications as set out in B **Annex B**. The proposals are in conformity with the Basic Law, including provisions concerning human rights. They have no civil service, productivity, environmental and gender implications. On sustainability implications, the proposals could help combat illegal gambling and create some job opportunities. Meanwhile, suitable preventive and remedial measures on gambling-related problems will be introduced to alleviate the potential negative impacts. In view of this, the proposals also have no major family implications. Proposal A will not affect the binding effect of BDO.

PUBLIC CONSULTATION

For Proposal A:

23. HYAB has launched a one-month public consultation on the proposed regulatory regime on basketball betting from 2 April to 2 May 2025. A total of 1 063 written submissions, including 364 from organisations and 699 from individuals, were received. Among the submissions received, 999 (94.0%) support the proposed regulatory regime for basketball betting; 36 (3.4%) oppose the proposal; the remaining 28 (2.6 %) do not have clear indications.

24. Overall, the vast majority of respondents agreed that the proposed regulatory regime could help combat illegal betting activities effectively, and

considered it effective in protecting bettors by diverting them to a safe and regulated betting environment. Many also supported granting the basketball betting license to only one operator (i.e. HKJC) to avoid stimulating excessive betting demand. Additionally, some expected an increase in HKJC's charitable donations, which would benefit the community as a whole.

25. Only a small portion of respondents expressed concerns on the proposal. They were mainly concerned that Proposal A might lead to some social problems, such as exacerbating gambling disorder, and have negative impacts on children and youth. In respect of these concerns, it is worth noting that from 2020 to 2024, people aged 18 or below constituted 1-2% of the total number of persons receiving counselling or treatment services from the four centres of the PWF. Separately, according to the information from HKJC, the proportion of bettors in the 18-21 age group has consistently remained below 2% in the past few years. These data indicate that there has been no substantial change in the prevalence of gambling among young people. As a matter of fact, the Government attaches great importance to preventing gambling-related problems, particularly among the youth, and has adopted a multi-pronged strategy in tackling gambling-related problems. 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 the potential negative impacts.

26. We reported to the LegCo Panel on Home Affairs, Culture and Sports ("HACS Panel") the findings of the public consultation, and consulted members on Proposal A on 9 June 2025. Members generally supported the legislative proposal and the introduction of the Bill into LegCo.

27. Having carefully considered the justifications, as well as all views received in the public consultation, we consider that a regulatory regime for basketball betting modelling on the existing regime for football betting should be established. HYAB and HKJC will closely monitor the basketball betting situation and step up our effort in implementing various mitigating measures.

For Proposal B:

28. HKJC presented Proposal B to BLC at its meeting held on 18 December 2024. To facilitate the assessment of the proposals, BLC invited members of the public to submit comments on the proposals from 20 January to 21 February 2025. A total of 250 written submissions, including 161 from organisations and 89 from individuals, were received. Among the submissions received, 237 (94.8%) support HKJC's proposals, four (1.6%) oppose or partially oppose to HKJC's proposals; the remaining nine (3.6%) have no objection to the proposals.

29. BLC subsequently deliberated the proposals at its meeting on 28 March 2025, with due consideration given to all the feedback received during the written submission period and other relevant factors. BLC has noted that the vast majority of the feedback from members of the public are either supportive or neutral, and acknowledged that there is a genuine public demand on betting on non-local races and the possible negative impact on youth should be manageable. Having carefully considered all relevant factors, BLC recommends that the proposals should be approved.

30. Having carefully considered the justifications and BLC's advice, we consider that HKJC's proposals should be approved. For the sake of prudence, while noting that the social impact should be minimal, HKJC should be invited to keep monitoring the horse race betting situation and step up its effort in implementing responsible gambling measures to mitigate the impact of the proposals when necessary.

PUBLICITY

31. For Proposal A, we will issue a press release upon the publication of the Bill in the Gazette. A spokesperson will be available to answer media enquiries.

32. For Proposal B, a spokesperson will be available to answer media enquiries.

BACKGROUND

33. According to BDO, SHYA may, by issuing a licence to a company, authorize the company to conduct horse race betting, football betting or lotteries.

34. For Proposal A, as BDO and BDR do not currently provide for the regulatory regime for basketball betting, legislative amendments are necessary to provide for such matters, including granting the power to SHYA to issue a licence to HKJC to conduct basketball betting.

35. For Proposal B, under the current licence⁹, HKJC is allowed to conduct betting on no more than 88 local race days, 25 simulcast races and 37 simulcast days (which consist of no more than 12 non-local races per day) per racing season; no betting on local races is allowed during the summer break. The above racing quota system has taken effect since December 2023. For Proposal B to take effect from the 2025/26 racing season, SHYA will need to vary the conditions to the upcoming licence to be issued for the 2025/26 racing season in accordance with section 6ZD of BDO.

ENQUIRIES

36. Any enquiries on this brief can be addressed to Mr Henry YIM, Principal Assistant Secretary (Home Affairs), at 3509 8120.

Home and Youth Affairs Bureau
June 2025

⁹ The validity period of the prevailing licence runs from September 2024 to August 2025.

Betting Duty (Amendment) Bill 2025

Contents

Clause	Page
Part 1	
Preliminary	
1. Short title.....	1
2. Enactments amended.....	1
Part 2	
Amendments to Betting Duty Ordinance (Cap. 108)	
3. Long title amended.....	2
4. Section 1A amended (interpretation)	2
5. Part 3 heading amended (betting on horse races and football matches and lotteries).....	4
6. Section 6E amended (function).....	5
7. Section 6GA amended (interpretation of Division 2A).....	5
8. Section 6GB amended (authorization of betting on horse races).....	5
9. Sections 6GEA and 6GGA repealed	5
10. Section 6GI amended (provisional payments)	6
11. Section 6I amended (authorization of betting on football matches).....	6

Clause	Page
12. Section 6K amended (calculation of net stake receipts).....	6
13. Section 6L amended (adjustments to net stake receipts).....	7
14. Section 6P amended (assessment of net stake receipts)	7
15. Part 3, Division 3B added	8
Division 3B—Betting on Basketball Matches	
6WG. Interpretation of Division 3B	8
6WH. Authorization of betting on basketball matches	9
6WI. Basketball betting duty.....	11
6WJ. Calculation of net stake receipts	11
6WK. Adjustments to net stake receipts.....	12
6WL. Meaning of <i>charging period</i>	14
6WM. Basketball betting conductors must make provisional payments	16
6WN. Demand for provisional payment.....	17
6WO. Assessment of net stake receipts	17
6WP. Additional assessment of net stake receipts	18
6WQ. Appeal against assessment, and holding over of basketball betting duty	19
6WR. Provisions relating to holding over	20
6WS. Surcharges.....	22

Clause	Page
6WT. Basketball betting conductors may bet for hedging purpose	23
6WU. Hedging policies of basketball betting conductors	24
6WV. Restrictions relating to basketball betting tickets	25
16. Section 6X amended (authorization of lotteries)	25
17. Section 6ZA amended (interpretation of Division 5)	25
18. Section 6ZF amended (revocation of licences)	26
19. Section 6ZO amended (powers of Collector to correct errors and refund overpaid duty)	26
20. “特區政府” substituted for “政府”	27

Part 3

Amendments to Betting Duty Regulations (Cap. 108 sub. leg. A)

21. Regulation 3AA amended (submission of returns in respect of betting on horse races)	28
22. Regulation 3A amended (submission of returns in respect of betting on football matches)	29
23. Regulation 3B added	31
3B. Submission of returns in respect of betting on basketball matches	31

Part 4

Clause	Page
Related Amendment to Specification of Public Offices Notice (Cap. 1 sub. leg. C)	
24. Schedule amended (specification of public offices)	33

A BILL

To

Amend the Betting Duty Ordinance and its subsidiary legislation to empower the Secretary for Home and Youth Affairs to authorize betting on basketball matches; to charge a duty on the net stake receipts derived from the conduct of authorized betting on basketball matches; to allow companies that conduct authorized betting on basketball matches to bet on basketball matches for the purpose of hedging; to repeal obsolete provisions on guaranteed amount for non-local horse races; and to make related and textual amendments.

Enacted by the Legislative Council.

Part 1

Preliminary

1. Short title

This Ordinance may be cited as the Betting Duty (Amendment) Ordinance 2025.

2. Enactments amended

The enactments specified in Parts 2, 3 and 4 are amended as set out in those Parts.

Part 2

Amendments to Betting Duty Ordinance (Cap. 108)

3. Long title amended

The long title—

Repeal

“and betting on football matches”

Substitute

“, betting on football matches and betting on basketball matches”.

4. Section 1A amended (interpretation)

(1) Section 1A(1)—

Repeal

“, unless the context otherwise requires”.

(2) Section 1A(1), definition of *authorized betting activity*—

Repeal

“the betting activity that is authorized under section 2, 6GB, 6I”

Substitute

“a betting activity authorized under section 2, 6GB, 6I, 6WH”.

(3) Section 1A(1)—

Repeal the definition of *charging period*

Substitute

“*charging period* (課稅期)—

- (a) in relation to a horse race betting conductor—see section 6GH;

- (b) in relation to a football betting conductor—see section 6M; or
- (c) in relation to a basketball betting conductor—see section 6WL;”.
- (4) Section 1A(1), definition of *net stake receipts*, paragraphs (a) and (ab)—
Repeal
“conductor,”
Substitute
“conductor—”.
- (5) Section 1A(1), definition of *net stake receipts*, paragraph (b)—
Repeal
everything after “conductor”
Substitute
“—the net stake receipts as calculated under section 6K and adjusted under section 6L; or”.
- (6) Section 1A(1), definition of *net stake receipts*, after paragraph (b)—
Add
“(c) in relation to the conduct of authorized betting on basketball matches by a basketball betting conductor—the net stake receipts as calculated under section 6WJ and adjusted under section 6WK;”.
- (7) Section 1A(1), English text, definition of *specified horse race betting conductor*, paragraph (b)—
Repeal
“licence;”
Substitute

- “licence.”.
 - (8) Section 1A(1), Chinese text, definition of 賽馬投注舉辦商—
Repeal
“公司。”
Substitute
“公司；”.
 - (9) Section 1A(1)—
(a) definition of *guarantee period*;
(b) definition of *guaranteed amount*;
(c) definition of *partially relevant charging period*;
(d) definition of *relevant day*;
(e) definition of *wholly relevant charging period*—
Repeal the definitions.
 - (10) Section 1A(1)—
Add in alphabetical order
“*basketball betting conductor* (籃球投注舉辦商) means a company authorized under section 6WH to conduct betting on basketball matches;”.
5. **Part 3 heading amended (betting on horse races and football matches and lotteries)**
Part 3, heading—
Repeal
“and Football Matches”
Substitute
“, Football Matches and Basketball Matches,”.

6. **Section 6E amended (function)**

Section 6E(1)(a)—

Repeal

“and football matches”

Substitute

“, football matches and basketball matches,”.

7. **Section 6GA amended (interpretation of Division 2A)**

(1) Section 6GA(1), definition of *horse race betting duty*—

Repeal

“or 6GEA”.

(2) Section 6GA(1), definition of *provisional payment*—

Repeal

everything after “means”

Substitute

“the race provisional payment referred to in section 6GI(1)(a)(i) or (ii).”.

8. **Section 6GB amended (authorization of betting on horse races)**

Section 6GB(4)(g)(ii)—

Repeal

“web site”

Substitute

“website, and mobile application,”.

9. **Sections 6GEA and 6GGA repealed**

Sections 6GEA and 6GGA—

Repeal the sections.

10. **Section 6GI amended (provisional payments)**

(1) Section 6GI—

Repeal subsections (3) and (4).

(2) Section 6GI(7), Chinese text, definition of 申報日, paragraph (b)—

Repeal

“日子 ; ”

Substitute

“日子 。”.

(3) Section 6GI(7)—

Repeal the definition of *relevant portion*.

11. **Section 6I amended (authorization of betting on football matches)**

Section 6I(4)(g)(ii)—

Repeal

“web site”

Substitute

“website, and mobile application,”.

12. **Section 6K amended (calculation of net stake receipts)**

Section 6K(1)—

Repeal

“net stake receipts that are derived from the conduct of authorized betting on football matches by a football betting conductor in respect of a charging period is calculated by using the following mathematical formula”

Substitute

“amount of the net stake receipts derived from the conduct of authorized betting on football matches by a football betting conductor for a charging period is calculated by using the following formula”.

13. Section 6L amended (adjustments to net stake receipts)

Section 6L—

Repeal subsection (4)

Substitute

“(4) For this section, if a dividend is not paid within 60 days after the day on which the dividend becomes payable, the dividend becomes an unclaimed dividend at the end of the 60 days.

(5) In this section—

hedging bet (對沖投注), subject to section 6V(6), means a bet placed by a football betting conductor under section 6U.”.

14. Section 6P amended (assessment of net stake receipts)

(1) Section 6P—

Repeal subsection (3)

Substitute

“(3) If, based on the assessment, the amount of the football betting duty payable by the football betting conductor exceeds the total amount of the provisional payments that have been made by the conductor, the conductor must pay the difference to the Collector in accordance with the notice of assessment.

(3A) If, based on the assessment, the total amount of the provisional payments that have been made by the football betting conductor exceeds the amount of the football

betting duty payable by the conductor, the Collector must refund the difference to the conductor.”.

(2) Section 6P(4)—

Repeal paragraphs (d) and (e)

Substitute

“(d) if subsection (3) applies—

(i) the amount that the conductor must pay; and

(ii) the way in which and the date by which the amount must be paid; and

(e) if subsection (3A) applies—the amount that the Collector must refund.”.

15. Part 3, Division 3B added

Part 3, after Division 3A—

Add

“Division 3B—Betting on Basketball Matches

6WG. Interpretation of Division 3B

In this Division—

basketball betting duty (籃球博彩稅) means a duty charged under section 6WI(1);

basketball betting licence (籃球投注牌照) means a licence issued under section 6WH(1);

last charging period (最後課稅期), in relation to a basketball betting conductor, means the charging period that comes to an end when the conductor’s basketball betting licence is terminated;

notice of additional assessment (補加評估通知) means a notice given under section 6WP(4);

notice of assessment (評估通知) means a notice given under section 6WO(5);

provisional payment (暫繳付款) means a payment that a basketball betting conductor is required to make under section 6WM(1).

6WH. Authorization of betting on basketball matches

- (1) The Secretary may, by issuing a licence to a company, authorize the company to conduct fixed odds betting or pari-mutuel betting on the results of, or contingencies relating to, basketball matches.
- (2) However, the Secretary must not issue a basketball betting licence to a company unless the Secretary is satisfied that the company and all its directors, principal officers and controllers are fit and proper persons for the purpose of this section.
- (3) The term of a basketball betting licence is to be specified in the licence.
- (4) Issuance of a basketball betting licence to a company is subject to all of the following conditions—
 - (a) the company must not accept, or authorize any person to accept, bets from juveniles;
 - (b) the company must not accept bets in any premises to which juveniles are permitted to have access;
 - (c) the company must not pay dividends to juveniles;
 - (d) the company must not advertise the conduct of betting on basketball matches on television or radio between the hours of 4:30 p.m. and 10:30 p.m. on any day;
 - (e) the company must not, in conducting any advertising or promotional activity—

- (i) target juveniles;
 - (ii) exaggerate the likelihood of winning; or
 - (iii) expressly or impliedly suggest that betting on basketball matches is a source of income or a viable way to overcome financial difficulties;
- (f) the company must not accept bets on credit, or accept credit cards as a means of payment for placing bets;
- (g) the company must conspicuously display and keep displayed notices that comply with subsection (6)—
 - (i) in any premises where the company accepts bets; and
 - (ii) on any website, and mobile application, through which the company accepts bets.
- (5) Issuance of a basketball betting licence is also subject to any other conditions that the Secretary considers appropriate to impose, including conditions relating to—
 - (a) the categories of matches on which betting may be conducted;
 - (b) the way and form in which bets may be accepted;
 - (c) the keeping of premises for accepting bets, the number of such premises and the persons who may have access to such premises; and
 - (d) the provision of information to the Secretary.
- (6) A notice referred to in subsection (4)(g) must—
 - (a) contain a warning of the seriousness of the problems caused by excessive gambling; and
 - (b) provide information on the services and facilities available in Hong Kong to problem gamblers and pathological gamblers.

6WI. Basketball betting duty

- (1) A duty is charged at the rate of 50% on the net stake receipts derived from the conduct of authorized betting on basketball matches by a basketball betting conductor for each charging period.
- (2) The duty is payable by the basketball betting conductor.
- (3) The Legislative Council may by resolution amend the rate of duty specified in subsection (1).

6WJ. Calculation of net stake receipts

- (1) Subject to any adjustments made under section 6WK, the amount of the net stake receipts derived from the conduct of authorized betting on basketball matches by a basketball betting conductor for a charging period is calculated by using the following formula—

$$A - B$$

where—

A represents the total amount of bets that are—

- (a) accepted by the conductor; and
- (b) relevant to that charging period; and

B represents the total amount of dividends that have, within that charging period, become payable by the conductor.

- (2) For subsection (1), a bet is relevant to a charging period if, within that charging period, the basketball betting conductor—
 - (a) becomes entitled to forfeit the bet; or
 - (b) becomes liable to pay a dividend on the bet.
- (3) Subsection (4) applies if—

- (a) a basketball betting conductor's basketball betting licence is revoked or otherwise terminated; and
- (b) after the termination, the company to which the licence was issued—
 - (i) becomes entitled to forfeit a bet that was accepted before the termination; or
 - (ii) becomes liable to pay a dividend on a bet that was accepted before the termination.
- (4) For subsection (1)—
 - (a) the bet referred to in subsection (3)(b)(i) or (ii) is taken to be relevant to the last charging period; and
 - (b) any dividend that becomes payable after the termination is taken to have become payable within the last charging period.

6WK. Adjustments to net stake receipts

- (1) For the purposes of section 6WJ, the amount of the net stake receipts derived from the conduct of authorized betting on basketball matches by a basketball betting conductor for a charging period is to be adjusted by adding an amount calculated by using the following formula—

$$(C - D) + (E - F)$$

where—

C represents the total amount of dividends that—

- (a) are payable by the conductor; and
- (b) have become unclaimed dividends within that charging period;

- D represents the total amount of unclaimed dividends that are paid by the conductor within that charging period;
- E represents the total amount of dividends that become, within that charging period, payable to the conductor on hedging bets placed by the conductor; and
- F represents the total amount of hedging bets that are—
 - (a) paid or payable by the conductor; and
 - (b) relevant to that charging period.
- (2) For subsection (1)—
 - (a) if the dividend payable on a hedging bet is expressed in a currency other than Hong Kong dollars, the amount of the dividend is to be converted to Hong Kong dollars at an exchange rate that is acceptable to the Collector as prevailing in Hong Kong when the dividend becomes payable; and
 - (b) if the amount paid or payable for a hedging bet is expressed in a currency other than Hong Kong dollars, the amount is to be converted to Hong Kong dollars at an exchange rate that is acceptable to the Collector as prevailing in Hong Kong when the amount becomes payable.
- (3) For subsection (1), a hedging bet is relevant to a charging period if, within that charging period, the person who received the bet—
 - (a) becomes entitled to forfeit the bet; or
 - (b) becomes liable to pay a dividend on the bet.
- (4) If, after the last charging period—

- (a) a dividend becomes an unclaimed dividend, the dividend is taken to have become an unclaimed dividend within the last charging period;
- (b) an unclaimed dividend is paid, the unclaimed dividend is taken to have been paid within the last charging period;
- (c) a dividend becomes payable on a hedging bet, the dividend is taken to have become payable within the last charging period; and
- (d) the person who has received a hedging bet—
 - (i) becomes entitled to forfeit the bet; or
 - (ii) becomes liable to pay a dividend on the bet, the bet is taken to be relevant to the last charging period.
- (5) For this section, if a dividend is not paid within 60 days after the day on which the dividend becomes payable, the dividend becomes an unclaimed dividend at the end of the 60 days.
- (6) In this section—

hedging bet (對沖投注), subject to section 6WT(3), means a bet placed by a basketball betting conductor under section 6WT.

6WL. Meaning of *charging period*

- (1) Subject to any agreement made under subsection (3), **charging period** (課稅期), in relation to a basketball betting conductor, means a period within which the basketball betting licence issued to the conductor is in force, being—

- (a) a period that begins on the day on which the licence comes into force and ends on the earlier of the following—
 - (i) the next following 31 March;
 - (ii) the date on which the licence is terminated; or
- (b) any subsequent period that begins on 1 April and ends on the earlier of the following—
 - (i) the next following 31 March;
 - (ii) the date on which the licence is terminated.
- (2) For subsection (1), if—
 - (a) before a basketball betting conductor's basketball betting licence is terminated, the conductor is issued with a new basketball betting licence; and
 - (b) the term of the new licence is to start immediately after the termination of the original licence,

that subsection applies as if the term of the new licence were an extended term of the original licence.
- (3) The Collector may agree with a basketball betting conductor—
 - (a) in relation to a charging period that has begun but not come to an end, to change the date on which that charging period is to end; or
 - (b) in relation to a charging period that has not begun, to change either or both of the following dates—
 - (i) the date on which that charging period is to begin;
 - (ii) the date on which that charging period is to end.

- (4) An agreement made under subsection (3) has no effect if, according to the agreement—
 - (a) a day covered by a charging period is not covered by the term of the basketball betting licence;
 - (b) a day covered by the term of the licence is not covered by any charging period; or
 - (c) a day covered by the term of the licence is covered by more than one charging period.

6WM. Basketball betting conductors must make provisional payments

- (1) A basketball betting conductor must make a provisional payment to the Collector within 15 days after each accounting day in a charging period.
- (2) The amount of the provisional payment is calculated by using the following formula—

$$X - Y$$

where—

X represents the amount of the basketball betting duty payable by the basketball betting conductor if the accounting day were the last day of that charging period; and

Y represents the total amount of the provisional payments that the conductor has made for that charging period.

- (3) A basketball betting conductor must, when making a provisional payment, submit to the Collector a calculation sheet in the specified form showing how the amount being paid is arrived at.
- (4) The Collector is to apply all provisional payments made by a basketball betting conductor for a charging period

towards settlement of the basketball betting duty payable by the conductor for that charging period.

- (5) A basketball betting conductor that, without reasonable excuse, contravenes subsection (1) or (3) commits an offence and is liable on conviction to a fine at level 3.
- (6) In this section—

accounting day (結算日) means any day within a charging period that is the last day of a month.

6WN. Demand for provisional payment

- (1) If a basketball betting conductor has not made a provisional payment in full, the Collector may, by a written notice given to the conductor, demand payment of the unpaid amount.
- (2) The notice must specify the way in which and the date by which the amount must be paid.
- (3) If the basketball betting conductor fails to make payment in accordance with the notice, the Government may recover the unpaid amount as a civil debt.

6WO. Assessment of net stake receipts

- (1) After the end of a charging period, the Collector must assess the amount of the net stake receipts derived from the conduct of authorized betting on basketball matches by a basketball betting conductor for that charging period.
- (2) The assessment may only be made within 6 years after the end of that charging period.
- (3) If, based on the assessment, the amount of the basketball betting duty payable by the basketball betting conductor exceeds the total amount of the provisional payments that have been made by the conductor, the conductor must pay

the difference to the Collector in accordance with the notice of assessment.

- (4) If, based on the assessment, the total amount of the provisional payments that have been made by the basketball betting conductor exceeds the amount of the basketball betting duty payable by the conductor, the Collector must refund the difference to the conductor.
- (5) As soon as practicable after making the assessment, the Collector must give the basketball betting conductor a written notice, specifying—
 - (a) the amount of the net stake receipts as assessed;
 - (b) the amount of the basketball betting duty payable;
 - (c) the total amount of the provisional payments that have been made;
 - (d) if subsection (3) applies—
 - (i) the amount that the conductor must pay; and
 - (ii) the way in which and the date by which the amount must be paid; and
 - (e) if subsection (4) applies—the amount that the Collector must refund.

6WP. Additional assessment of net stake receipts

- (1) This section applies if, despite having given a notice of assessment to a basketball betting conductor in relation to a charging period, the Collector reasonably believes that the amount of the net stake receipts derived from the conduct of authorized betting on basketball matches by the conductor for the charging period exceeds the amount of the net stake receipts as specified in the notice.

- (2) The Collector may make an additional assessment of the amount of the net stake receipts derived for that charging period.
- (3) The additional assessment may only be made within 6 years after the end of that charging period.
- (4) As soon as practicable after making the additional assessment, the Collector must give the basketball betting conductor a written notice, specifying—
 - (a) the amount of the net stake receipts as additionally assessed; and
 - (b) the amount of the additional basketball betting duty payable, and the way in which and the date by which the amount must be paid.
- (5) The basketball betting conductor must make payment to the Collector in accordance with the notice of additional assessment.

6WQ. Appeal against assessment, and holding over of basketball betting duty

- (1) A basketball betting conductor that is dissatisfied with an assessment under section 6WO, or an additional assessment under section 6WP, may appeal against the assessment to the District Court.
- (2) The appeal may only be made within 1 month after the date on which the notice of assessment or notice of additional assessment (as the case may be) is given.
- (3) The appeal must be made by giving a written notice of appeal to the Registrar of the District Court (*Registrar*) and the Collector.
- (4) As soon as practicable after receiving the notice of appeal, the Collector must—

- (a) state and sign a case, setting out—
 - (i) a summary of the facts that are relevant to the assessment concerned; and
 - (ii) how the assessment concerned has been made; and
- (b) serve a copy of the case on the basketball betting conductor, the Registrar and the Secretary for Justice.
- (5) The appeal may only be set down for hearing within 14 days after copies of the case have been served in accordance with subsection (4)(b).
- (6) The District Court—
 - (a) is to determine the appeal by rescinding, varying or confirming the assessment concerned; and
 - (b) may make any other order that the District Court considers appropriate.
- (7) If, according to the assessment concerned, an amount is payable by the basketball betting conductor under section 6WO or 6WP (as the case may be)—
 - (a) the making of the appeal does not affect the conductor's obligation to pay the amount; and
 - (b) the Collector may, at the request of the conductor and subject to any conditions that the Collector may impose, order that payment of the whole or part of the amount be held over pending the final determination of the appeal.

6WR. Provisions relating to holding over

- (1) This section applies if—

- (a) a basketball betting conductor is required by a notice of assessment, or notice of additional assessment, to pay an amount by a date; and
- (b) the Collector has ordered under section 6WQ(7)(b) that payment of the whole or part of the amount be held over pending the final determination of an appeal made by the conductor.
- (2) If the basketball betting conductor withdraws the appeal, the conductor must pay the Collector—
 - (a) the amount that was held over; and
 - (b) interest on the amount that was held over, calculated at the specified rate from the date referred to in subsection (1)(a) to the date on which the appeal is withdrawn.
- (3) If, according to the final determination of the appeal, the amount payable by the basketball betting conductor under the assessment concerned exceeds the amount that was not held over, the conductor must pay the Collector—
 - (a) the difference between the two amounts; and
 - (b) interest on so much of the amount that is held over and becomes payable as a result of the final determination, calculated at the specified rate from the date referred to in subsection (1)(a) to the date on which the appeal is finally determined.
- (4) If an amount is payable by the basketball betting conductor under subsection (2) or (3)—
 - (a) the Collector must give the conductor a written notice of payment, specifying—
 - (i) the total amount payable; and

- (ii) the way in which and the date by which the amount must be paid; and
- (b) the conductor must pay the amount in accordance with the notice given under paragraph (a).
- (5) The Government may recover any interest payable under this section as a civil debt.
- (6) In this section—

specified rate (指明利率) means the rate determined by the Chief Justice by order under section 50(1)(b) of the District Court Ordinance (Cap. 336).

6WS. Surcharges

- (1) This section applies if—
 - (a) a basketball betting conductor is required by a notice of assessment, notice of additional assessment or notice of payment given under section 6WR(4)(a) to pay an amount by a date; and
 - (b) the amount is not fully paid by that date.
- (2) The Collector may, by a written notice given to the basketball betting conductor, demand the conductor to pay a surcharge.
- (3) The surcharge must not exceed 5% of the unpaid part of the amount referred to in subsection (1)(a).
- (4) If the amount referred to in subsection (1)(a) is not fully paid at the end of 6 months after the date referred to in that subsection, the Collector may, by a written notice given to the basketball betting conductor, demand the conductor to pay a further surcharge.
- (5) The further surcharge must not exceed 10% of the total of—

- (a) the unpaid part of the amount referred to in subsection (1)(a); and
 - (b) if the surcharge under subsection (2) is not fully paid at the end of the 6 months referred to in subsection (4)—the unpaid part of the surcharge.
- (6) The Government may recover any surcharge or further surcharge as a civil debt.

6WT. Basketball betting conductors may bet for hedging purpose

- (1) A basketball betting conductor may place a bet on a basketball match if—
- (a) the conductor has accepted bets on the match in accordance with this Ordinance and the conditions of the conductor's basketball betting licence;
 - (b) the bet placed by the conductor is received by a person in a place outside Hong Kong in accordance with the law of that place; and
 - (c) the bet is placed by the conductor for the only purpose of hedging against exposure to the risk of loss that the conductor may suffer from the conduct of betting on the match.
- (2) To avoid doubt—
- (a) a basketball betting conductor that places a bet under subsection (1) does not commit any offence under section 8 of the Gambling Ordinance (Cap. 148); and
 - (b) the person who receives the bet does not commit any offence under section 7 of that Ordinance.
- (3) For section 6WK, if—
- (a) a basketball betting conductor claims that a bet was placed under this section; and

- (b) either—
 - (i) the conductor does not have an approved hedging policy; or
 - (ii) in relation to the placing of the bet—the Collector reasonably believes that the conductor has failed to comply with the approved hedging policy in a material way,
- the bet is not to be taken as a bet placed under this section.

- (4) In subsection (3)—

approved hedging policy (獲批准的對沖政策), in relation to a basketball betting conductor, means a policy submitted by the conductor and approved by the Collector under section 6WU.

6WU. Hedging policies of basketball betting conductors

- (1) A basketball betting conductor may submit to the Collector for approval a policy (***hedging policy***) setting out—
- (a) the factors that the conductor undertakes to consider in placing a bet under section 6WT; and
 - (b) the procedure that the conductor undertakes to follow in placing the bet.
- (2) As soon as practicable after receiving a hedging policy submitted under subsection (1), the Collector must inform the basketball betting conductor by a written notice if the policy is approved or not approved.
- (3) If the Collector approves the hedging policy, the notice must specify the date on which the approval is to take effect.
- (4) At any time after approving a hedging policy under subsection (2), the Collector may withdraw the approval

of the whole policy, or of any part of the policy, by a written notice given to the basketball betting conductor.

- (5) A notice under subsection (4) must specify the date on which the withdrawal is to take effect.

6WV. Restrictions relating to basketball betting tickets

- (1) A person must not make, print, issue, sell or offer to sell a basketball betting ticket unless the person is—
- (a) a basketball betting conductor; or
 - (b) so acting on behalf of a basketball betting conductor.
- (2) A person who contravenes subsection (1) commits an offence and is liable on conviction to a fine at level 5.
- (3) In this section—

basketball betting ticket (籃球投注彩票) means a ticket that is used or to be used to—

- (a) record the placing of a bet with a basketball betting conductor; and
- (b) claim any dividend payable on the bet.”.

16. Section 6X amended (authorization of lotteries)

Section 6X(4)(g)(ii)—

Repeal

“web site”

Substitute

“website, and mobile application.”.

17. Section 6ZA amended (interpretation of Division 5)

Section 6ZA, definition of *licence*, after “6I”—

Add

“, 6WH”.

18. Section 6ZF amended (revocation of licences)

Section 6ZF(2), after “6I”—

Add

“, 6WH”.

19. Section 6ZO amended (powers of Collector to correct errors and refund overpaid duty)

- (1) Section 6ZO(1)—

Repeal

“or football betting conductor”

Substitute

“, football betting conductor or basketball betting conductor”.

- (2) Section 6ZO(1)—

Repeal

“Division 2A or 3”

Substitute

“Division 2A, 3 or 3B”.

- (3) Section 6ZO(6)(a)—

Repeal

“or football betting conductor”

Substitute

“, football betting conductor or basketball betting conductor”.

- (4) Section 6ZO(6)(b)—

Repeal

“or 6S”

Substitute

“, 6S or 6WQ”.

20. “特區政府” substituted for “政府”

The following provisions, Chinese text—

- (a) section 6E(2);
- (b) section 6GJ(3);
- (c) section 6GM(4);
- (d) section 6GO(5);
- (e) section 6O(3);
- (f) section 6R(4);
- (g) section 6T(5);
- (h) section 6WF(5);
- (i) section 6ZE(7);
- (j) section 6ZN—

Repeal

“政府” (wherever appearing)

Substitute

“特區政府”.

Part 3

**Amendments to Betting Duty Regulations (Cap. 108
sub. leg. A)**

**21. Regulation 3AA amended (submission of returns in respect of
betting on horse races)**

(1) Regulation 3AA—

Repeal paragraph (1)

Substitute

“(1) A horse race betting conductor must, within 3 months after the end of each charging period, submit to the Collector a return that—

- (a) is in the specified form;
- (b) sets out the amount of the net stake receipts derived from the conduct of authorized betting on horse races by the conductor for that charging period; and
- (c) is accompanied by the documents specified in paragraph (2).”.

(2) Regulation 3AA—

Repeal paragraph (2)

Substitute

“(2) The documents specified for paragraph (1)(c) are—

- (a) a financial statement in the specified form that—
 - (i) shows how the amount of the net stake receipts set out in the return has been arrived at; and
 - (ii) is audited by a qualified person; and

(b) an audit report prepared by the qualified person that includes a statement specified in paragraph (4).”.

(3) Regulation 3AA—

Repeal paragraph (3).

(4) Regulation 3AA(4)—

Repeal

everything before “state”

Substitute

“(4) The statement specified for paragraph (2)(b) must”.

(5) Regulation 3AA(6)—

Repeal

“this regulation commits an offence and is liable”

Substitute

“paragraph (1) commits an offence and is liable on conviction”.

22. Regulation 3A amended (submission of returns in respect of betting on football matches)

(1) Regulation 3A—

Repeal paragraph (1)

Substitute

“(1) A football betting conductor must, within 3 months after the end of each charging period, submit to the Collector a return that—

(a) is in the specified form;

(b) sets out the amount of the net stake receipts derived from the conduct of authorized betting on football matches by the conductor for that charging period; and

(c) is accompanied by the documents specified in paragraph (2).”.

(2) Regulation 3A—

Repeal paragraph (2)

Substitute

“(2) The documents specified for paragraph (1)(c) are—

(a) a financial statement that—

(i) shows the amount of the net stake receipts of the football betting conductor in that charging period; and

(ii) is audited by a qualified person; and

(b) an audit report prepared by the qualified person that includes a statement specified in paragraph (3).”.

(3) Regulation 3A(3)—

Repeal

everything before “whether”

Substitute

“(3) The statement specified for paragraph (2)(b) must state”.

(4) Regulation 3A(3)(c)—

Repeal

“net stake receipts shown in the”

Substitute

“amount of the net stake receipts shown in the financial”.

(5) Regulation 3A(4)—

Repeal

“this regulation commits an offence and is liable”

Substitute

“paragraph (1) commits an offence and is liable on conviction”.

23. Regulation 3B added

After regulation 3A—

Add

“3B. Submission of returns in respect of betting on basketball matches

- (1) A basketball betting conductor must, within 3 months after the end of each charging period, submit to the Collector a return that—
 - (a) is in the specified form;
 - (b) sets out the amount of the net stake receipts derived from the conduct of authorized betting on basketball matches by the conductor for that charging period; and
 - (c) is accompanied by the documents specified in paragraph (2).
- (2) The documents specified for paragraph (1)(c) are—
 - (a) a financial statement that—
 - (i) shows the amount of the net stake receipts of the basketball betting conductor in that charging period; and
 - (ii) is audited by a qualified person; and
 - (b) an audit report prepared by the qualified person that includes a statement specified in paragraph (3).
- (3) The statement specified for paragraph (2)(b) must state whether, in the opinion of the qualified person and in relation to that charging period, the following statements are true—

- (a) the basketball betting conductor has kept records in accordance with the Ordinance;
 - (b) the financial statement has been prepared in accordance with those records; and
 - (c) the amount of the net stake receipts shown in the financial statement has been calculated in accordance with the Ordinance.
- (4) A basketball betting conductor that, without reasonable excuse, contravenes paragraph (1) commits an offence and is liable on conviction to a fine at level 3.”.

Part 4

Related Amendment to Specification of Public Offices Notice (Cap. 1 sub. leg. C)

24. Schedule amended (specification of public offices)

The Schedule, entry relating to the Collector of Stamp Revenue specified for the purposes of the Betting Duty Ordinance (Cap. 108)—

Repeal

everything after “and (4),” and before “6ZL(1)”

Substitute

“6GL(1), (2), (3) and (5), 6GM(1), 6GN(4) and (8)(b), 6GO(4)(a), 6L(2), 6M(3), 6N(4), 6O(1), 6P(1), (3A) and (4), 6Q(1) and (3), 6R(1), 6S(4) and (7)(b), 6T(4)(a), 6V(2), (4) and (6)(b), 6WE(1), (2)(b) and (3), 6WF(2), 6WK(2), 6WL(3), 6WM(4), 6WN(1), 6WO(1), (4) and (5), 6WP(1), (2) and (4), 6WQ(4) and (7)(b), 6WR(4)(a), 6WS(2) and (4), 6WT(3)(b), 6WU(2) and (4),”.

Explanatory Memorandum

The main object of this Bill is to amend the Betting Duty Ordinance (Cap. 108) (*Ordinance*) to—

- (a) empower the Secretary for Home and Youth Affairs (*Secretary*) to authorize betting on basketball matches;
- (b) charge a duty on the net stake receipts derived from the conduct of authorized betting on basketball matches;
- (c) allow companies that conduct authorized betting on basketball matches to bet on basketball matches for the purpose of hedging; and
- (d) repeal obsolete provisions on guaranteed amount for non-local horse races.

- 2. Clause 1 sets out the short title.
- 3. Clause 3 amends the long title of the Ordinance in view of the amendments made by the Bill.
- 4. Clause 4 amends certain definitions in, and adds a new definition to, the Ordinance to reflect the proposed authorization of betting on basketball matches. That clause and clauses 7, 9 and 10 repeal obsolete references relating to guaranteed amount for non-local horse races.
- 5. Clauses 5, 6, 17, 18 and 19 consequentially amend certain provisions of the Ordinance to extend the scope of those provisions to cover authorized betting on basketball matches.
- 6. Clauses 8, 11 and 16 respectively amend sections 6GB, 6I and 6X of the Ordinance to revise the conditions relating to the display of notices on problem gambling in respect of a licence issued to a horse race betting conductor, football betting conductor and lottery conductor respectively.

7. Clauses 12, 13 and 14 make textual amendments to sections 6K, 6L and 6P of the Ordinance respectively.
8. Clause 15 adds to Part 3 of the Ordinance a new Division 3B, which contains 16 new sections (new sections 6WG to 6WV). New section 6WG defines certain expressions used in the Division.
9. New section 6WH provides that the Secretary may authorize a company (*basketball betting conductor*) to conduct betting on basketball matches.
10. New sections 6WI to 6WS concern the betting duty payable by a basketball betting conductor on the net stake receipts derived from the conduct of authorized betting on basketball matches, and deal with the following relevant matters—
 - (a) calculation and assessments of net stake receipts;
 - (b) making of provisional payments by the conductor;
 - (c) surcharges;
 - (d) appeal against assessments of net stake receipts;
 - (e) holding over of basketball betting duty.
11. New sections 6WT and 6WU provide that a basketball betting conductor may place bets on basketball matches for the purpose of hedging. New section 6WV sets out the restrictions relating to basketball betting tickets.
12. Clause 20 contains technical amendments to the Ordinance to achieve internal consistency in terminology.
13. Clause 23 adds a new regulation 3B to the Betting Duty Regulations (Cap. 108 sub. leg. A) to require a basketball betting conductor to submit returns on net stake receipts to the Collector of Stamp Revenue. Clauses 21 and 22 correspondingly amend regulations 3AA and 3A of those Regulations respectively.

14. Clause 24 consequentially amends the Schedule to the Specification of Public Offices Notice (Cap. 1 sub. leg. C).

Implications of the Proposal

Financial and economic implications

While the objective of the proposals is not to generate Government revenue, it is expected that they would increase betting turnover and bring in additional betting duty. For Proposal A, HKJC anticipates that it will take a few years to successfully divert a portion of the basketball betting demand to the regulated market. Based on the assumption that the annual turnover of authorized basketball betting will be around HK\$28 billion by then, HKJC estimates that the annual betting duty generated from authorized basketball betting activities will be around HK\$1.5 billion. For Proposal B, HKJC estimates that around HK\$1.82 billion of additional betting duty in total will be generated from 2025/26 to 2028/29 racing season.

2. On economic implications, the proposals will help divert some basketball and non-local horse racing betting activities from illegal gambling platforms back to the authorized channels. This may help lower the economic costs associated with problem gambling, increase employment opportunities at HKJC, and bring in additional fiscal resources to benefit the community at large.