

**Possible Licensing Conditions for Authorized Soccer Betting**

In the event authorized outlets for soccer betting are provided, the following licensing conditions can be considered:

*(a) Means of Taking Bets*

2. It is important to avoid a proliferation of betting shops as a result of licensing soccer betting. For this reason, the setting up of **new betting shops** for soccer betting should be restricted to a **minimum** number. The operator may also accept bets through telecommunications means such as telephone and/or the Internet.

*(b) Types and Number of Soccer Matches on which Betting are Allowed*

3. To avoid possible match-fixing and corruption, we propose that betting on the matches of the Hong Kong soccer league and those regional/international matches involving Hong Kong teams should preferably be **prohibited** by express licensing conditions, at least in the initial stage of the operation.

4. There are limits to the numbers of local horse races and Mark Six draws.<sup>1</sup> In line with the practice for horse racing and to avoid providing excessive gambling opportunities, it is for consideration whether an **upper limit** on the number of matches on which betting is allowed per annum should be specified in the licence. Alternatively, permission could be given to receiving bets only on the **major international and regional soccer matches** such as the World Cup, European Football Championship, and the premier leagues in the UK and Italy where the biggest interest of Hong Kong punters lie. The exact number or categories of matches/leagues would be subject to further discussion between the regulator and the potential operator taking into account the public views.

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<sup>1</sup> There is current an upper limit of 78 horse racing meetings per season and a summer recess of two months. No such restriction is imposed in respect of the Mark Six but it is normally held twice a week, except during the horse racing recess when one additional draw is held each week.

*(c) Protecting the Minors*

5. Underage persons are currently prohibited from entry into legal betting premises (i.e. racecourses, OCBBs and mahjong parlours). In view of the concerns about the adverse impact of legal soccer betting on the youth and children, and for the purpose of effective control and supervision, the operator would be strictly prohibited from (a) taking bets from those under the age of 18; (b) allowing them to enter any betting premises (including betting shops and service centres); and (c) opening betting accounts for them. Moreover, the licensee would be required to **take all reasonable measures** to avoid taking bets from the underage (e.g. requiring proof of identity where there is suspicion). The above should form the key licensing conditions. If the licensee is found to be repeatedly in breach of these conditions whether deliberately or due to negligence, it may result in revocation of the licence.

*(d) Preventing Credit Betting*

6. To prevent punters from gambling excessively and beyond their means, the operators should be strictly prohibited from offering credits to punters, accepting credit cards or allowing delayed payment. This is in fact the current practice of the HKJC though such restrictions are not expressly written in law or the licence. We propose that this should form one of the key licensing conditions for soccer betting.

*(e) Restricting Promotion and Advertisement*

7. In order not to encourage gambling, it is considered that the authorized operator should be restricted from promoting or advertising betting on soccer, especially where such promotion or advertisements would have the effect of encouraging the public (in particular the underage) to gamble. Such control is particularly necessary in view of the fact that soccer is a popular sport among the youth and many non-gamblers in Hong Kong. That said, reasonable dissemination of information relating to the matches should be allowed. The details would be worked out by the licensing authority in consultation with the operator and be inserted into the licence. This should help limit exposure to the betting operations to those who are genuinely interested

in placing bets without unduly arousing the interest of and causing nuisance to the non-gamblers. We do not think these conditions would unduly restrict the competitiveness of the authorized operator vis-à-vis the unauthorized ones as the latter would also be prohibited to promote their business in Hong Kong when the Gambling (Amendment) Bill 2000 is enacted.

*(f) Preventive Measures Against Pathological Gambling*

8. The licensing authority may impose on the legal operator the requirement to adopt suitable preventive measures against pathological gambling, such as displaying notices at the gambling establishments (e.g. betting shops and service centres) warning punters of the risks of gambling (see Chapter 5 for more details). Such requirements would be written into the licence.

*(g) Punitive Measures Against Non-Compliance*

9. The licensing authority should make it clear to the operator that **non-compliance** with the key licensing conditions could result in the **suspension or revocation** of the licence. Consideration may be given to imposing a fine on the operator for breach of specific licensing conditions.

10. The proposed operational framework seeks to ensure that legal soccer betting, *if introduced*, would be operated in a manner that could generate the desired benefits for Hong Kong while protecting punters' interest and keeping the negative impact to the minimum. A Bill stipulating the legal framework of the soccer betting operation would be introduced in the next legislative session and the details of the licensing framework would be thrashed out at a later stage if it is decided that legal soccer betting should be introduced.