

Race and Sports Bookmaking (Rules for Sports Bookmaking) Determination 2005 (No 4)

Disallowable Instrument DI2005—261

made under the

Race and Sports Bookmaking Act 2001, s23(1) - Rules for sports bookmaking

Name of Instrument

This Instrument is the *Race and Sports Bookmaking (Rules for Sports Bookmaking) Determination 2005 (No 4)*.

Determination

I determine that the rules for sports bookmaking for record keeping and audit requirements are as specified in the Schedule to this instrument.

Malcolm Gray
Chairperson
ACT Gambling and Racing Commission
15 November 2005

SCHEDULE

1. Audit Arrangements

- 1.1 The financial year for sports bookmaking operations is from 1 July to 30 June each year.
- 1.2 Sports bookmakers must provide annual financial statements to the ACT Gambling and Racing Commission by 30 September each year.
- 1.3 The following holders of a sports bookmaking licence must provide:
- (1) for an individual bookmaker - a statement detailing the trading position of the sports bookmaking business for the year ending 30 June prepared and certified by a Chartered Accountant;
 - (2) for a syndicate of bookmakers - a statement detailing the trading position of the sports bookmaking business for the year ending 30 June prepared and certified by a Chartered Accountant; and
 - (3) for a corporate entity - an audited financial statement for the corporate entity for the year ending 30 June.
- 1.4 For clause 1.3(3) the licensed corporate entity must submit an individual audited financial statement, even if the corporate entity is part of a group of corporate entities, or is controlled by a parent entity, and consolidated audited financial statements are normally only prepared.
- 1.5 The Commission may, in writing, require that a holder of a sports bookmaking licence is to provide audited financial statements in addition to the requirements of clause 1.2.

2. Creation and Retention of Records

- 2.1 A sports bookmaker must maintain a record of all betting transactions, including all bet backs, in respect of all approved sports bookmaking events.
- 2.2 Each betting transaction must clearly indicate the method by which the bet was transacted.
- 2.3 Each betting transaction that is accepted in currency other than Australian dollars must record the appropriate exchange rate for each

Initial

foreign currency as published on the Reserve Bank of Australia's official website.

- 2.4 The appropriate exchange rate is determined by the Reserve Bank of Australia's exchange rate for each foreign country as published daily at 1600 hours Australian Eastern Standard Time.
- 2.5 It is a requirement of clause 2.5 that all non-Australian currency transactions have been converted to Australian dollars in accordance with clause 2.4.
- 2.6 It is a requirement when determining tax pursuant to section 64 of the Act, on sports betting transactions in accordance with clause 2.5, that the liability of tax is based on the actual daily conversion paid.
- 2.7 A sports bookmaker must provide to the ACT Gambling and Racing Commission, a Sports Bookmaker's Taxation Return of all betting transactions, recorded by each individual sport and method of bet, by the 28th day after the end of each calendar month.
- 2.8 An electronic report detailing all betting transactions taken in respect of the return period must be provided with the Sports Bookmaker's Taxation Return.
- 2.9 Clause 2.8 is subject to:
- (1) The electronic report must be compatible with Microsoft Excel and contain fields that record:
 - (a) the date and time of the bet;
 - (b) the ticket number or confirmation number of the bet;
 - (c) the client account number and/or name;
 - (d) the location or identifier of the computer terminal transacting the betting transaction;
 - (e) the method by which the bet was transacted (i.e. over-the-counter, internet etc.);
 - (f) the bet type (e.g. fixed odds, spread, parimutuel);
 - (g) the bet amount;
 - (h) the amount won or lost by the client as a result of the bet;
 - (i) the sports bookmaking event and contingency that the bet relates to;
 - (j) what the outcome of the bet is (e.g. a winning bet, a losing bet, a cancelled bet, a no win bet or any other category of bet classification used by the sports bookmaker);
 - (k) all bet back details including amounts; and
 - (l) the tax rate applicable to the bet.

Initial

- 2.10 For a sports bookmaker who provides a spread betting service, an electronic report detailing all betting transactions taken in respect of the return period must be provided with the Sports Bookmaker's Taxation Return.
- 2.11 Clause 2.10 must record:
- (1) all spread bets accepted during the month;
 - (2) the events upon which the spread bets relate;
 - (3) the total exposure to client open positions on a market to market basis;
 - (4) the total amount of funds held on behalf of clients, as at the end of the month; and
 - (5) details of client positions closed due to non payment of margin calls.
- 2.12 The records retained pursuant to clause 2.11 must have individual sports recorded so that transactions are grouped together by the respective sport.
- 2.13 Relevant bank statements for the return period must be provided with the Sports Bookmaker's Taxation Return.
- 2.14 A sports bookmaker must retain records of the official Reserve Bank of Australia's exchange rates for each day that such rates are utilised.
- 2.15 A sports bookmaker must create and retain all records relating to the sports bookmaking business in accordance with the provisions of part 8, division 8.1, of the *Taxation Administration Act 1999*.

3. Client Statements – Spread betting

- 3.1 Where a sports bookmaker provides a spread betting service the bookmaker must provide every client with a periodic statement at least once every calendar month recording the:
- (1) sports bookmaker's name; and
 - (2) name of the client, the account number of the client and current account balance.
- 3.2 The client statement provided by the sports bookmaker must indicate:
- (1) details of each closed bets since the last statement;
 - (2) details of current open bets; and
 - (3) details of each transaction made since the last statement including:

Initial

- (a) the date on which the bet was made;
- (b) the time when the bet was made, or a statement that the bet date is available on request;
- (c) a description of the bet;
- (d) the prompt date of the contract;
- (e) the nature of the contract - buy or sell;
- (f) the purchase price; and
- (g) the profit or loss of each closed bet.

4. Segregated Bank Accounts

- 4.1 A sports bookmaker must, for the purposes of the sports bookmaking business, maintain a segregated sports betting bank account for the purpose of betting monies received.
- 4.2 The segregated bank account for clause 4.1 must be recorded under a title which includes the name of the sports bookmaker and the purpose of the account such as a "Trust Account".
- 4.3 When a sports bookmaker opens an account for clause 4.1 the sports bookmaker must immediately advise the Commission in writing of:
 - (1) the name of the banking institution and address of the branch;
 - (2) the account title and account number.
- 4.4 If any changes occur to the account information stated in clause 4.3, or the account is closed, the sports bookmaker must immediately inform the Commission in writing of those changes.
- 4.5 Subject to clause 4.6 a sports bookmaker must deposit all betting monies received:
 - (1) into the segregated bank account; or
 - (2) if there are 2 or more such accounts - into 1 of those accounts;

not later than the next banking day after the day on which the money is received.
- 4.6 Where betting monies are paid by direct deposit or electronic transfer into an account operated by the sports bookmaker, the sports bookmaker must transfer that money into a segregated bank account in accordance with clause 4.5.
- 4.7 A sports bookmaker must not withdraw money from a segregated sports betting account until such time as the outcome of the bet is determined and in accordance with the betting contract.

Initial

- 4.8 Money in the segregated sports betting account must not be utilised for the payment of debts of the sports bookmaker, (except as provided by these Rules) and those monies are not to be attached or taken in execution for satisfying a judgment against the sports bookmaker other than a judgment for a debt so payable.
- 4.9 Clause 4.7 does not apply to monies in the segregated sports betting account if those monies are as a result of interest earned on the account.
- 4.10 Interest earned on a segregated sports betting account may accrue to the sports bookmaker.