

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

EXPLANATORY STATEMENT

The *Race and Sports Bookmaking Act 2001* (the Act) regulates the activities of sports bookmakers in the Australian Capital Territory.

Part 3 of the Act provides for the conduct and control of sports bookmaking. In particular, section 23 of the Act provides that the Gambling and Racing Commission may determine rules for sports bookmaking. Pursuant to section 23(1)(d) and (e) the Commission may determine rules for the requirements for record keeping and audits for sports bookmakers.

This Disallowable Instrument provides that licensees must submit audited financial statements to the Commission by a specified date. The creation and retention of records by sports bookmakers when undertaking sports bookmaking operations are also provided for. These provisions were previously determined under the following repealed disallowable instruments:

- Part 2, clause 11, 12, 17 to 23 of DI 2005-113 and made pursuant to section 23 of the Act - Rules for Sports Bookmaking; and
- Schedule A, clause 8 and 9 of DI 2005-48 and pursuant to section 22 of the Act – Directions for Operation of Sports Bookmaking Venues.

While the intention of the provisions relating to the requirement to submit audited financial statements to the Commission remain essentially as expressed in DI2005-48, Schedule A, clause 8, the

requirement has been augmented to make it clear that the audited report must relate specifically to the licensed entity. New clause 1.4 provides that in instances where the licensed entity belongs to a group of corporate entities, presentation of audited financial statements only relating to the corporate group is not acceptable. This will ensure that the true financial status of a corporate sports bookmaking licensee can be ascertained.

New clause 1.5 also provides that the Commission may require that financial statements be provided at intervals other than annually. This will enable the Commission to more closely monitor the financial performance of licensees in circumstances where the Commission considers closer oversight is warranted, rather than on an annual basis.

The requirements for the retention and creation of records are to provide consumer protection for clients of sports bookmakers and for tax administration purposes. Clause 2 was previously contained in Part 2, clause 11 of DI 2005-48 and Schedule A, clause 9 of DI 2005-48. New clause 2.1 and 2.2 provides for the requirement that each betting transaction is recorded and must clearly indicate the method by which the bet was transacted. These provisions have been inserted to ensure that the requirements to record transactions is unequivocal.

Clause 2.3, 2.4, 2.5 and 2.6, previously contained in Schedule A, clause 9 of DI 2005-48 provide for the recording and calculation of exchange rates for betting transactions that are made in non-Australian currency. Previous clause 9 required this information to be sourced from the Wednesday edition of the *Australian Financial Review*. The requirements of previous clause 9 have been streamlined. Clause 2.3 and 2.4 now correctly reflect the appropriate official monetary source for information on exchange rates. These clauses now provide that this information is to be sourced from the official website of the Reserve Bank of Australia at a specified Australian Eastern Standard Time at daily intervals. New clause 2.7 to 2.15 were previously located in Part 2, clause 11 of DI2005-113. Clause 2.7 to 2.14 have not been amend. New clause 2.15 was previously expressed as a *note* and has been inserted as a provision to ensure that sport bookmakers meet the obligation to retain financial records in accordance with the *Tax Administration Act 1999*.

Clause 3 provides for client statements when spread betting activities are undertaken. This provision was previously located at Part 2, clause 12 of DI2005-113. The provision is identical and has

been retained due to the “high risk” associated with spread betting in contrast to normal betting activities. These requirements also compliment regulatory arrangements for resolving betting disputes and enhance the objectives of the Commission’s continuous compliance audit regime.

Previous Part 2, clause 17 to 23 provides for the arrangements of segregated bank accounts with respect to betting transactions. These provisions have now been subsumed into clause 4. The intent of the previous provisions have not been altered. However, clause 4 has been redrafted to ensure clarity.