

# Race and Sports Bookmaking (Rules for Sports Bookmaking) Determination 2012 (No 1)

Disallowable instrument DI2012—239

made under the

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

## **EXPLANATORY STATEMENT**

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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(2)(d) and (e) the Commission may determine rules for the requirements for record keeping and audits for sports bookmakers.

This Disallowable Instrument replaces DI2005-261 notified on 28 November 2005 to allow for the updating of some clauses in the Instrument. The purpose of the new Instrument remains unchanged in that it provides for audit arrangements, creation and retention of records, client statements in respect of spread betting and segregated bank accounts. The requirements for the retention and creation of records are to provide consumer protection for clients of sports bookmakers and for tax administration purposes.

This Instrument deletes former clauses 2.8 and 2.9 which respectively provided for an electronic report detailing all betting transactions taken in respect of a taxation return period that must be provided with the Sports Bookmaker's Taxation return; and the specific details required of the electronic report. These reporting requirements have been replaced by the Commission accessing this information via "keyhole" (i.e. on-line, secure, real time, read only) access to the sports bookmaker's approved betting system.

This Instrument also deletes clauses 4.1, 4.2, 4.3, 4.4, 4.5, 4.6 and 4.9 which dealt with various aspects of sports bookmaker requirements in relation to segregated bank accounts with respect to betting transactions.

Former clauses 4.7 and 4.8 have been retained as they provide express arrangements for the withdrawal of client funds from the segregated bank account (former clause 4.7) and an express prohibition on monies in the segregated bank account being used for any purpose other than maintaining sufficient funds to cover all monies owed by the licensee to its betting clients (former clause 4.8), but they have been renumbered as new clauses 4.5 and 4.6, respectively. Former clause 4.10 dealing with interest earned on the segregated bank accounts has also been retained but is now renumbered as clause 4.7.

While the intention underpinning the former provisions concerning the appropriate operation of segregated bank accounts in respect of client funds has not been altered, new clauses 4.1, 4.2, 4.3, 4.4, 4.5, 4.6 and 4.7 have been redrafted and recast to clarify requirements for sports bookmakers to hold all client funds (sourced from client deposits, bets pending and from winnings) in a separate, or quarantined, segregated bank account independent or isolated from the sports bookmaker's other operational monies, to create a simplified and clearer regulatory framework that is more effective in achieving appropriate levels of consumer protection. The recast clauses provide clarity to sports bookmakers in relation to the inclusions in the accounts and provide simplified reporting requirements.

The other provisions of the former DI2005-261 remain unchanged.