

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

1. Name of Instrument

This Instrument is the *Race and Sports Bookmaking (Rules for Sports Bookmaking) Determination 2012 (No 1)*.

2. Revocation

I revoke determination DI2005-261 dated 15 November 2005 and notified under the Legislation Register on 28 November 2005.

3. Commencement

This Instrument commences the day after it is notified.

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

28 September 2012

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.

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- 2.3 Each betting transaction that is accepted in currency other than Australian dollars must record the appropriate exchange rate for each 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 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.
- 2.9 Clause 2.8 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.
- 2.10 The records retained pursuant to clause 2.8 must have individual sports recorded so that transactions are grouped together by the respective sport.
- 2.11 Relevant bank statements for the return period must be provided with the Sports Bookmaker's Taxation Return.
- 2.12 A sports bookmaker must retain records of the official Reserve Bank of Australia's exchange rates for each day that such rates are utilised.

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- 2.13 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:
 - (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 licensee's sports bookmaking business, maintain at least one segregated sports betting bank account which must be used for all betting clients' credit balances.

- 4.2 Each segregated sports betting bank account must be advised in writing to the Commission and include details of:

- (a) the name of the financial institution and address of the branch; and
- (b) the account title and account number.

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- 4.3 The segregated bank account(s) must at all times have sufficient funds to cover all monies owed by the licensee to all its betting clients.
- 4.4 A sports bookmaker must lodge with the Commission, by the tenth day of each month, the following information relating to the previous month:
- (a) documentary confirmation of the total of all clients' accounts balances; and
 - (b) full bank statement(s) showing the monthly transaction history for the segregated bank account(s).
- 4.5 A sports bookmaker must not withdraw money from a segregated sports betting account until such time as the outcome of the bet is determined in accordance with the betting contract.
- 4.6 Money in the segregated sports betting account must not be encumbered in any way and 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.
- 4.7 Interest earned on a segregated sports betting account may accrue to the sports bookmaker.

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