

## Gaming in Singapore: overview

Yap Wai-Ming and Gina NG  
Morgan Lewis Stamford LLC

[global.practicallaw.com/4-636-0616](http://global.practicallaw.com/4-636-0616)

### LEGISLATIVE FRAMEWORK OF GAMBLING REGULATION

#### Overview

#### 1. What legislation applies to gambling?

Land-based gambling activities are generally governed in Singapore by the:

- Betting Act, which regulates common betting-houses, betting in public places and bookmaking.
- Common Gaming Houses Act, which regulates common gaming houses, public gaming and public lotteries.
- Private Lotteries Act, which regulates private lotteries.
- Casino Control Act, which regulates the two licensed casinos in Singapore.

Online gambling activities are regulated by the Remote Gambling Act.

#### Definitions of gambling

#### 2. What is the legal definition of gambling in your jurisdiction and what falls within this definition?

##### Land-based gambling

Under the Common Gaming Houses Act, there is no express distinction drawn between "gaming" and "gambling". "Gaming" is defined as the playing of any game of chance or of mixed chance and skill for money or money's worth, which is reflective of casino-style gambling.

The Betting Act defines a "common betting-house" as any place kept or used for betting or wagering on any event or contingency of or relating to any horse-race or other sport event, which is reflective of sports-type betting.

The Private Lotteries Act defines a "lottery" as any game, method, scheme or device where money or money's-worth is distributed or allotted in any manner depending on or to be determined by chance or lot, whether the same is held, drawn, exercised or managed either in whole or in part within or outside Singapore.

Under the Casino Control Act, a "game" is defined as a game of chance or a game that is partly a game of chance and partly a gaming requiring skill.

##### Online gambling

Under the Remote Gambling Act, the definition of gambling is very broad and encompasses:

- **Betting.** This involves the staking of money or money's worth on the outcome of a horse-race or sporting event or any other event, thing or matter gazetted by the Minister.

- **Gaming.** This involves playing a game of chance for money or money's worth.
- **Participating in a lottery.** This involves participating in any game, method, device, scheme or competition where money or money's worth is distributed or allotted in any manner depending upon or to be determined by chance or lot whether the same is held, drawn, exercised or managed inside or outside Singapore and includes any game, method, device, scheme or competition gazetted by the Minister.

#### Regulatory authorities

#### 3. What are the regulatory or governmental bodies that are responsible for supervising gambling?

The following regulatory authorities are responsible for supervising gambling:

- **Casino Regulatory Authority (CRA).** The CRA administers and enforces the Casino Control Act and has the power to licence and regulate the operations of land-based casinos.
- **Ministry of Home Affairs (MHA), the Media Development Authority (MDA) and the Monetary Authority of Singapore (MAS).** They administer certain provisions of the Remote Gambling Act, such as those relating to payment blocking and site access blocking.
- **Ministry of Social and Family Development and the National Council on Problem Gambling (NCPG).** They administer social safeguards to minimise problem gambling. The NCPG also has the power to issue casino exclusion orders.
- **The Singapore Totalisator Board.** This oversees the operations of Singapore Turf Club and Singapore Pools (Private Limited) (Singapore Pools), the two main gambling operators in Singapore conducting horse racing and other betting activities.

#### Gambling products

#### 4. What gambling products have been specifically identified by legislation, and what different requirements have been established for each?

##### Poker

Poker is regulated under the Common Gaming Houses Act, which generally governs casino-style gaming and public lotteries. Under the Common Gaming Houses Act, it is an offence to:

- Operate or be involved or invested in a common gaming house.
- Operate or be involved in a public lottery.
- Be a customer of such places and activities.

A common gaming house is defined as:

- Any place kept or used for gaming to which the public or any class of the public has access.
- Any place kept for habitual gaming (whether the public or any class of the public has or may have access).
- Any place kept or used for the purpose of a public lottery (whether the public has access or not).

Exemptions under the Common Gaming Houses Act have been granted to the main gambling operators regarding public lotteries and sports betting (that is, the Singapore Totalisator Board, the Singapore Turf Club and Singapore Pools). Certain ad hoc exemptions have also been granted to various entities for specific gambling events hosted by or held in Singapore.

### Betting

Generally, betting and wagering activities are regulated under the Betting Act. Under the Betting Act, it is an offence to:

- Operate or be involved in a common betting house (that is, any place kept or used for betting or wagering on any event or contingency of or relating to any horse-race or other sport event) or betting information centre.
- Publish information relating to any horse race or sporting event for the purpose of illegal betting.

Exemptions are permitted under the Betting Act and have been granted to the main gambling operators in Singapore regarding public lotteries and sports betting (that is, the Singapore Totalisator Board, the Singapore Turf Club and Singapore Pools).

### Sports betting

Sports betting is also regulated under the Betting Act (*see above, Betting*).

### Casino games

Casino games are regulated under the Common Gaming Houses Act (*see above, Poker*).

### Slot and other machine gaming

Slot and other machine gaming are regulated under the Common Gaming Houses Act (*see above, Poker*).

### Terminal-based gaming

Terminal-based gaming is regulated under the Common Gaming Houses Act (*see above, Poker*).

### Bingo

Bingo is regulated under the Common Gaming Houses Act (*see above, Poker*).

### Lottery

Public lotteries, which are lotteries to which the public has access, are governed by the Common Gaming Houses Act (*see above, Poker*). Additionally, there are certain prescribed exemptions for:

- Public lotteries conducted by businesses to promote products and services.
- Lotteries promoted by certain charities or institutions of public charter.
- Public lotteries incidental to events such as trade fairs and dinners and dance.
- Certain types of gaming in private clubs (for example, jackpot machines).

Private lotteries, which are lotteries confined to members of a society established and conducted for purposes not connected, are governed by the Private Lotteries Act. Under the Private Lotteries Act, private lotteries are prohibited unless a permit is granted.

### Online gambling

All forms of remote gambling activity are prohibited under the Remote Gambling Act unless an exemption is granted (including gambling remotely, facilitating others to do so, transmitting and receiving bets and providing remote gambling services). The Ministry of Home Affairs announced on 29 September 2016 that it has approved the applications of Singapore Turf Club and Singapore Pools to be exempt operators under the Remote Gambling Act.

## LAND-BASED GAMBLING

### Regulation/licensing

#### 5. What is the licensing regime (if any) for land-based gambling?

##### Available licences

Exemptions from the Betting Act to provide and operate gambling facilities can be obtained from the Minister of Home Affairs, subject to certain conditions, which are typically set out in the letters of approval that are issued to exempted entities.

Exemptions can be obtained to conduct events that require permission under the Common Gaming Houses Act, subject to certain conditions, including:

- The methodology of the promotion, the details of the prizes to be distributed, their manner of distribution and where the winner are determined solely or partly by a draw, the time, date and place of the draw must be disclosed in printed publicity material, copies of which must be freely available to all participants.
- The draw must only be conducted by the organisation's employees.
- The draw must be conducted in public or if conducted in private by means of a computerised system, be witnessed and audited by an independent public accountant.
- The draw must not involve the use of any game, method, device, scheme or competition that has previously been banned under the Common Gaming Houses Act.

Private bodies (such as a company, co-operative society, society, mutual benefit organisations and trade unions) do not need to obtain a permit under the Common Gaming Houses Act if gaming is being conducted in any premises owned by the private body, subject to the conditions as may be imposed, including:

- No person other than a member may have access to or remain in any part of the premises in which any gaming is conducted, or conduct or participate in any gaming in the premises.
- The private body must not allow any of its members to conduct or participate in any game other than certain stipulated games.
- No member below the age of 18 can participate in any gaming conducted in the premises.

Permits may be granted under the Private Lotteries Act to any person or society for the promotion of a private lottery and for the provision of fruit machines, subject to the conditions as may be imposed, including:

- No profit will accrue to any individual person from the conduct of such lottery.
- No commission either in money or money's worth, including by way of free tickets or chances, shall be payable in respect of the sales of tickets or chances.

The permit may also impose conditions such as those relating to the:

- Amount and number of prizes to be offered.
- Number of tickets or chances to be offered for sale in such lottery and the prices and denominations of such tickets or chances, the persons by whom.
- Manner in which and the places at which, the tickets or chances may be sold or distributed and the persons or classes of persons to whom the tickets or chances may be sold or distributed.
- Time place and manner in which the winners of prizes will be determined.
- Opening and closing dates for the sale or distribution of tickets or chances.
- Conditions subject to which any ticket or chance may be offered for sale.
- Costs, charges and expenses which may be deducted by the person promoting such lottery from the funds raised by the lottery.
- Percentage of the gross proceeds raised by the lottery that shall be applied to the object for which such lottery is promoted.
- Manner in which the names of the winners of prizes may be advertised.
- Requirements in respect of machines and equipment to be used.

The Minister has the power to exempt a social welfare society promoting a private lottery for purposes conducive to the welfare of the public or any class from the restrictions under the Private Lotteries Act.

Licences can be obtained under the Casino Control Act for the operation of a casino. The Casino Control Act expressly limits the number of casino licences to two for the period of ten years from the commencement of the Casino Control Act. The two licensed casino operators in Singapore are:

- Marina Bay Sands Pte Ltd.
- Resorts World at Sentosa Pte Ltd.

### Eligibility

There are no express eligibility criteria specified in the Betting Act and the Common Gaming Houses and the grant of an exemption from the prohibitions contained in these statutes will be granted on a case-by-case basis. The Singapore Totalisator Board, the Singapore Turf Club and Singapore Pools have been granted exemptions from the Betting Act and the Common Gaming Houses Act in respect of public lotteries and sports betting.

There is also no express eligibility criteria specified in the Private Lotteries Act and permits will be granted on a case-by-case basis.

The CRA may issue a casino licence under the Casino Control Act if it is satisfied that the applicant, and each associate of the applicant, is a suitable person to be concerned in or associated with the management and operation of casino. In particular, the CRA will consider the following:

- Whether the applicant and each of its associates is of good repute, having regard to character, honesty and integrity.
- Whether the applicant and each of its associates is of sound and stable financial background.
- Where the applicant is not a natural person, whether the applicant has or has arranged a satisfactory ownership, trust or corporate structure.
- Whether the applicant has or is able to obtain financial resources that are adequate to ensure the financial viability of the proposed casino and the services of persons who have

sufficient expertise in the management and operation of a casino.

- Whether the applicant has sufficient business ability to establish and maintain a successful casino.
- Whether the applicant and each of its associates has any business association with any person, body or association who or which, in the opinion of the CRA, is not of good repute having regard to character, honesty and integrity or has undesirable or unsatisfactory financial resources.
- Whether each director, partner, trustee, executive officer and secretary and any other officer or person determined by the CRA to be associated or connected with the ownership, administration or management of the operations or business of the applicant is a suitable person to act in that capacity.
- Whether any person proposed to be engaged or appointed to manage or operate the casino is a suitable person to act in that capacity.
- Whether the applicant is a suitable person to develop, maintain and promote the integrated resort (of which the casino is a part) as a compelling tourist destination which meets prevailing market demand and industry standards and contributes to the tourism industry in Singapore.
- Any other matter that may be prescribed.

In determining the above matters, the CRA must have regard to the opinion of an evaluation panel, which consists of three or more persons appointed by the Minister.

### Application procedure

There is no prescribed procedure for applying for an exemption under the Betting Act and the Common Gaming Houses Act. Exemption applications can be made by writing to the relevant authorities.

Under the Private Lotteries Act, an application for a permit for the promotion of a private lottery is to be made to the Permit Officer in such manner and form as the Permit Officer may require and shall be accompanied by the prescribed fee and such information and documents in such form and manner as the Permit Officer may require.

Under the Casino Control (Casino Licence and Fees) Regulations 2009, each application for a casino licence must be accompanied by an application fee of SG\$1,100, such documents as the CRA may specify evidencing the applicant's ownership of the designated site, the disclosure of corporate or individual information in the form provided by the CRA for the applicant and its associates as the CRA may specify, and such other documents as the CRA may require to determine the application.

### Duration of licence and cost

The duration of an exemption received under Betting Act and the Common Gaming Houses Act is determined by the relevant authority. The fees associated with the exemptions are not prescribed in legislation.

The duration of a permit received under Private Lotteries Act is to be determined by the relevant authority and the permit fee is SG\$195 per year. The Permit Officer may, at any time, suspend for such period as he deems appropriate, or revoke, a permit granted.

A casino licence granted under the Casino Control Act is generally valid for three years or such other term as the CRA may determine. The Minister may, after consultation with the CRA, cancel any casino licence if it appears to be necessary in the public interest to do so. The casino licensing fee is SG\$22.8 million per year to operate the only casino in operation and SG\$19 million per year to operate one of two casinos in operation.

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## 6. What are the limitations or requirements imposed on land-based gambling operators?

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### Prohibitions

A casino operator needs to be licensed by the CRA in order to operate a casino in Singapore. Persons under the age of 21 are prohibited from entering a casino's premises.

There are also various exclusion orders to bar a person who is a Singapore citizen or permanent resident from entering or remaining on the casino premises:

- A family member may apply to the NCPG for a casino visit limit which, if imposed on an individual, will limit the number of times that individual may visit the casinos each month.
- An individual may apply to the NCPG for a self-imposed casino visit limit.
- A Committee of Assessors appointed by the NCPG can also impose a casino visit limit on individuals with poor credit records or who are vulnerable to financial harm due to gambling.

### Restrictions

It is mandatory for casino operators to impose on citizens or permanent residents of Singapore an entry levy of SG\$100 for every consecutive period of 24 hours, or SG\$2,000 for an annual membership, to enter or remain on the casino premises.

A licensed casino operator will be subject to the various conditions in the Casino Control Act and its regulations.

- The Casino Control Act contains restrictions on changes in ownership of the casino operator. During a period of ten years from the commencement of the Casino Control Act, the main shareholder of a casino operator cannot transfer or dispose his stake in the casino operator to less than 20% or less than any other shareholder's stake in the casino operator without the prior approval of the CRA.
- A casino operator is not allowed to enter into a "controlled contract", which generally are contracts relating to gaming equipment, financial matters, management services and casino security and surveillance, unless it has given 28 days' prior notice to the CRA. A casino operator can only deal with manufacturers and suppliers of gaming equipment who have been approved by the CRA.
- Special employees employed by a casino operator to perform key roles in the operation of casino are required to be licensed and can only exercise the function specified in their licence, such as those employed in:
  - a managerial capacity;
  - the conduct of gaming;
  - movement of money or chips in a casino;
  - exchange of money or chips to patrons;
  - counting of money or chips; and
  - security and surveillance of the casino and operation, maintenance, construction or repair of gaming equipment.
- A casino operator cannot change the casino layout with the prior approval of the CRA and the gaming areas within the casino premises must not exceed 15,000 square metres in aggregate. The number of gaming machines available for gaming in a casino is limited to 2,500 square metres.

- All games played in a casino, mode of play and rules for such games, and all gaming equipment used in a casino, are to be approved by the CRA.
- The system of internal controls, administrative and accounting procedures of a casino operator are to be approved by the CRA.

### Anti-money laundering legislation

The Casino Control Act requires casino operators to perform customer due diligence measures to detect or prevent money laundering and the financing of terrorism:

- When the casino operator opens a patron account.
- When the casino operator enters into a cash transaction with a patron involving SG\$10,000 or more in a single transaction.
- When the casino operator receives a sum of SG\$5,000 or more in a single transaction to be deposited in a deposit account.
- When the casino operator has a reasonable suspicion that a patron is engaged in any money laundering or terrorism financing activity.
- When the casino operator has doubts about the veracity or adequacy of any information previously obtained about a patron.
- When carrying out such other activities, or under such other circumstance, as may be prescribed.

In addition, casino operators are subject to the following requirements:

- Casino operators must file a cash transaction report to the Suspicious Transaction Reporting Office for any cash transaction that involves an amount of SG\$10,000 or more (*Casino Control (Prevention of Money Laundering and Terrorism Financing) Regulations 2009*).
- Casino operators are prohibited under the Casino Control (Prevention of Money Laundering and Terrorism Financing) Regulations 2009 from entering into any transaction involving the conversion of money from one form to another when the funds are not used for gambling. They must determine the purpose and ownership of each cash transfer upon the receipt of such cash transfers, failing which they are not permitted to retain the funds.
- Casino operators and their employees are required under the Corruption, Drug Trafficking and Other Serious Crimes (Confiscation of Benefits) Act to report any suspicious transaction if they know or have reasonable grounds to suspect that the funds may be related to or represent criminal proceeds.

There are also various other general anti-money laundering legislation to combat money laundering and the terrorism financing risks, particularly in vulnerable sectors such as banks and casinos.

## ONLINE GAMBLING Regulation/licensing

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### 7. What is the licensing regime (if any) for online gambling?

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#### Available licences

Under the Remote Gambling Act, a person can apply for a certificate of exemption that would allow it to provide a Singapore-based remote gambling services where:

- The service is provided in the course of carrying on a business in Singapore.
- The central management and control of the service is in Singapore.

- Any relevant internet content is hosted in Singapore.

The Ministry of Home Affairs (MHA) announced on 29 September 2016 that it has approved the applications of Singapore Turf Club and Singapore Pools to be exempt operators under the Remote Gambling Act, subject to stringent conditions. For further information on the exemption conditions (see *Question 8, Anti-money laundering legislation*). With the exemptions, Singapore Turf Club will be able to offer horse racing betting services on an online wagering platform while Singapore Pools will be allowed to offer remote gambling for existing lotteries, football and motor-racing sports betting products. The exemption is only granted in respect of their existing products and the exempt operators are not permitted to offer casino-style games and poker.

### Eligibility

The MHA may issue a certificate of exemption if it considers such an exemption to be in the public interest. In determining whether an exemption is in the public interest, the MHA may have regard to, and give such weight as it considers appropriate to, the following:

- Whether the applicant is established, incorporated, registered or otherwise based in Singapore so as to aid the enforcement of any condition of the certificate of exemption, if issued.
- Whether any director or key officer of the applicant has been convicted of one or more offences in Singapore which, in the opinion of the Minister, renders the director or key officer unsuitable to be a director or key officer of an exempt operator.
- Whether the applicant is a not-for-profit entity that distributes the moneys forming part of its funds to public, social or charitable purposes in Singapore.
- Whether the applicant has a consistent track record of compliance with legal and regulatory requirements applicable to it, whether in relation to remote gambling or otherwise and whether in Singapore or elsewhere.

Additionally, the MHA may also take into account any other factors and matters which may be relevant, which suggests that each application will be assessed on a case-by-case basis.

### Application procedure

The Remote Gambling Act does not prescribe an application procedure. However, media reports indicate that Singapore Turf Club and Singapore Pools, which have been granted exemptions under the Remote Gambling Act, submitted written applications to the MHA and presumably, such other supporting documents as MHA would require for the assessment of the application. The Singapore Turf Club and Singapore Pools submitted applications for certificates of exemption under the Remote Gambling Act in May 2015 and July 2015 respectively and were granted exemptions on 29 September 2016. The MHA has stated that it will generally take between nine to 12 months to evaluate and assess the applications for a certificate of exemption and that checks will be conducted to ensure that appropriate safeguards are in place.

### Duration of licence and cost

The duration of the certificate of exemption will be determined by the MHA and the exemption certificates issued to Singapore Turf Club and Singapore Pools are valid for three years. The fees associated with the certificate of exemption are not specified in the Remote Gambling Act.

## 8. What are the limitations or requirements imposed on online gambling operators?

### Prohibitions

Under the Remote Gambling Act, it is unlawful to provide remote gambling services. It is an offence for a person whether inside or outside Singapore to:

- Organise, manage or supervise remote gambling by others (including inviting others to gamble using remote communication and placing, making, receiving or accepting bets using remote communications).
- Distribute prizes offered in remote gambling.
- Distribute money or money's worth paid or staked by others in remote gambling.
- Facilitate the participation by others in remote gambling.
- Assist in any of the above conduct and as a result facilitates one or more individuals to commit the offence of unlawful remote gambling.

The prohibition applies to a wide range of persons involved in remote gambling operations, including agents providing remote gambling services (whether that agent is inside or outside Singapore), overseas remote gambling services being offered to customers in Singapore and Singapore-based remote gambling services (whether that service has a Singapore or foreign customer link).

Exemptions under the Remote Gambling Act have been granted to Singapore Turf Club and Singapore Pools, subject to certain conditions. For further information on such exemptions, (see *Question 7, Regulation/licensing*).

### Restrictions

An exempt remote gambling operator will be subject to certain conditions which may be imposed by the Minister as appropriate, in particular but not limited to conditions:

- To ensure that the management and operator of a remote gambling service remains free from influence or exploitation and are carried out by employees, officers, agents or contractors of an exempt operator who are suitable.
- To ensure that the integrity of remote gambling transaction is maintained.
- To contain and control and the potential of remote gambling to cause harm to young persons, vulnerable persons and society.
- Providing for the type of remote gambling service and corresponding remote gambling products that may be offered by the exempt operator.
- Providing for controls over advertising or promotional activities that may be published or carried out by the exempt operator.

Singapore Turf Club and Singapore Pools have been approved as exempt operators under the Remote Gambling Act subject to certain safeguards being put in place such as:

- The exempt operators must implement a set of social safeguard measures including:
  - persons must be at least 21 years old to open a player account;
  - operators are required to verify the identity and age of the player in person before online accounts can be activated;
  - gambling on credit is prohibited;
  - players must set daily spending and funding limits with any increase in spending limits to take effect only on the next day while any decrease in spending limits would take effect immediately; and
  - advertisements and promotional activities to encourage people to engage in remote gambling require approval from the Ministry of Social and Family Development and such activities must not encourage persons to engage in remote gambling.

- The exempt operators must implement responsible gambling measures including:
  - operators must implement a self-exclusion system and display responsible gambling messages;
  - the provision of information packages containing information on responsible gambling and help services (for problem gambling) to all players before they are allowed to gamble using their accounts and thereafter on a periodic basis; and
  - the prominent display of responsible gambling messages on the exempt operators' websites.
- The exempt operators are required to put in place robust systems and controls on anti-money laundering and countering financing of terrorism. The exempt operators must remain Singapore-based, to aid the enforcement of the conditions.
- The exempt operators are allowed to offer remote gambling only for their existing products and new betting products cannot be offered without prior approval. The exempt operators are not allowed to offer casino-style games or poker.

The exempt operators will be subject to regular audits and inspections. If the conditions are breached, the exempt operators could be fined up to SG\$1 million and have their exemption status revoked or suspended.

#### Anti-money laundering legislation

Under the Remote Gambling Act, if the authorised officer is satisfied that a person is participating or has participated in prohibited remote gambling activity, the authorised officer is empowered to direct MAS to give a financial institution or a financial transaction provider a payment blocking order. The order may require the institution or provider:

- Not to accept credit extended to that person.
- Not to accept a cheque, bank draft or similar instrument drawn by or in favour of that person.
- Not to make or accept electronic funds transfers to and from that person.
- To generally block all payment transactions customarily associated with gambling transactions.

#### B2B and B2C

#### 9. Is there a distinction between the law applicable between B2B operations and B2C operations in online gambling?

Under the Remote Gambling Act, there is no distinction between B2B and B2C operations. The ambit of the Remote Gambling Act is very broad and prohibits all forms of remote gambling activity, including both B2B and B2C operations in online gambling.

#### Technical measures

#### 10. What technical measures are in place (if any) to protect consumers from unlicensed operators, such as ISP blocking and payment blocking?

Under the Remote Gambling Act, an authorised officer may direct the MDA to issue the internet service provider (ISP) with an access blocking order, if he is satisfied that the ISP services have been or are being used to access or facilitate access to an online location through which remote gambling services are provided or which contains remote gambling advertising or material promoting remote gambling.

Before directing the MDA to make an access blocking order, the officer must have regard to certain matters such as whether the primary purpose of the online location is for use by others to commit the offence of unlawful remote gambling or publish a remote gambling service advertisement, whether access to the online location has been disabled by orders from any court of another country or any foreign competent authority on the ground of or related to remote gambling, the volume of traffic at the online location by end-users in Singapore, the burden that the making of the access blocking order will place on the ISP and the technical feasibility of complying with the access blocking order.

For further information on payment blocking measures (see *Question 8, Anti-money laundering legislation*).

### MOBILE GAMBLING AND INTERACTIVE GAMBLING

#### 11. What differences (if any) are there between the regulation of mobile gambling and interactive gambling on television?

Mobile gaming and interactive gambling on television are similarly regulated under the Remote Gaming Act.

### SOCIAL GAMING

#### 12. How is social gaming regulated in your jurisdiction?

While the Remote Gambling Act prohibits all forms of remote gambling activities, unless exempted, the MDA issued a press release on 28 January 2015 clarifying that the Remote Gambling Act is not intended to prohibit or regulate most types of social games in which the players do not play to acquire a chance of winning money and where the game format does not allow the conversion of any in-game credits to money or real-world merchandise.

The following types of games therefore would not be prohibited or regulated under the Remote Gambling Act:

- Games that do not allow players to win, through an in-game facility, money or real-world merchandise that can be exchanged for money.
- Games that allow players to purchase, gain or exchange game enhancement features (for example, weapons, skills) but do not provide in-game facility to convert these game enhancement features to money or real-world merchandise which can be exchanged for money.
- Games that rank players but do not provide in-game facility to convert these ranking positions to money or real-world merchandise which can be exchanged for money.

With regard to leader-boards, which rank and reward top players, or tournaments organised by game developers or promoters where players can win real-world prizes, the MDA also clarified that the Remote Gambling Act does not generally prohibit mechanisms to reward players for their skill, provided that these are not within casino-style games or are not used as a means of facilitating syndicated criminal activity.

### GAMBLING DEBTS

#### 13. Are gambling debts enforceable in your jurisdiction?

Under the Civil Law Act, all contracts and agreements by way of gaming and wagering are null and void and all gambling debts, wherever incurred, are irrevocable by an action in Singapore.

The position remains open under common law.

- In *Star Cruise Services Ltd v Overseas Union Bank Ltd*, the Singapore High Court held that gaming and wagering debts will not be enforced by the courts in Singapore as the Civil Law Act applies irrespective of where the gambling transaction took place and that no recovery on an underlying gambling would be permitted.
- The opposite position was reached in *Burswood Nominees Ltd (formerly Burswood Nominees Pty Ltd) v Liao Eng Kiat Tax and Star City Pty Ltd v Tan Hong Woon*, where the High Court of Singapore was of the view that the Civil Law Act only negated the enforcement but not the validity of a gaming contract. As such, while no action will lie in Singapore to recover a sum of money won on a foreign wagering contract even if that contract was valid under its governing law, it was not against public policy in Singapore to allow the recovery of money lent for the purposes of gambling abroad as long as the transaction was a genuine loan which was valid and enforceable according to the relevant foreign law. The decision was justified on the basis that gambling was no longer contrary to the public interest as there are various forms of legalised gambling in Singapore.
- The Court of Appeal in *Poh Soon Kiat v Desert Palace Inc* reiterated the position under the Civil Law Act and observed that the presence of legalised gambling in Singapore simply meant that regulated gambling is not regarded as being contrary to public policy but did not mean or imply that other forms of unregulated gambling were not contrary to public policy. As such, it appears that the Court of Appeal preferred the position under *Star Cruise Services Ltd v Overseas Union Bank Ltd*. The position remains open as the Court of Appeal made clear that it did not wish to express any conclusive opinion on the above issue. However, as an opinion of the highest court of Singapore, their analysis will be persuasive should the same issue relating to enforceability of gambling debts be brought before the courts of Singapore in future.

The Casino Control Act expressly states that the above provisions of the Civil Law Act do not apply to contracts in relation to gambling entered into with a casino operator or his agent and that all wagering contracts conducted by the casinos in Singapore are legally valid and enforceable.

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#### 14. What are the applicable tax regimes for land-based and online gambling?

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##### Land-based gambling

The following is applicable for land-based gambling:

- A duty of 30% is levied on the total amount raised from any private lottery that does not involve a fruit machine under the Private Lotteries Act.
- A duty of 9.5% is levied on the total amount wagered by players of each fruit machine in order to play it (without any deduction of winnings paid out) under the Private Lotteries Act.
- A duty of 25% is levied on amount of bets received (after deduction of winning paid out and goods and services tax) by an exempt organisation under the Betting Act or the Common Gaming Houses Act from:
  - totalisator or pari-mutuel betting in connection with horse racing; and
  - sports betting.
- A duty of 30% is levied on amount of bets received (after deduction of goods and services tax) by an exempt organisation under the Betting Act or the Common Gaming Houses Act from:
  - totalisator or pari-mutuel betting (excluding horse racing, for example, TOTO); and

- any other system or method of cash or credit betting (for example, 4D and Singapore Sweep).
- A duty of 30% is levied on the amount contributed towards sweepstakes (after deduction of goods and services tax) by an exempt organisation under the Betting Act or the Common Gaming Houses Act.
- The casino tax levied on the gross gaming revenue (after deduction of goods and services tax) from the games conducted on the casino is 5%, in respect of premium players who opens a deposit account with the casino operator with a minimum amount of SG\$100,000, and 15% in respect of other players.
- Under the Casino Control Act, a citizen or permanent resident of Singapore is required to pay an entry levy of SG\$100 for every consecutive period of 24 hours, or SG\$2,000 for an annual membership, to enter or remain on the casino premises

##### Online gambling

As remote gambling is currently prohibited under the Remote Gambling Act and no certificates of exemptions have been granted yet, there is no applicable tax regime for online gambling presently.

#### ADVERTISING

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#### 15. To what extent is the advertising of gambling permitted in your jurisdiction? To the extent that advertising is permitted, how is it regulated?

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##### Land-based gambling

It is an offence under the Betting Act to advertise that a place is opened, kept or being used as a common betting-house or betting information centre in Singapore or outside of Singapore, or in any manner invite or solicit any person to commit a breach of the provisions of the Betting Act. This prohibition does not apply to the Singapore Totalisator Board or any agent appointed by the Totalisator Board.

The Singapore Totalisator Board (Advertisements) Regulations 2010 contains restrictions on the content, time, frequency, duration, manner of publication or distribution of gaming advertisements. Approval must be obtained from the Minister if the publication of a gaming advertisement does not meet the requirements.

Under the Casino Control (Advertising) Regulations 2010, the publication or distribution of casino advertisements or the carrying of casino promotions is not permitted except with the prior approval of the CRA. The restriction also applies to licensed casino operators. If the CRA grants its approval, the casino advertisement or promotion must be made in accordance with the manner of publication, distribution, carrying out or offering of the casino advertisement promotion which has been approved by the CRA and any conditions of such approval. Casino advertisements are permitted overseas, on the casino's internet website if it is not primarily targeted at Singapore residents, exhibition on billboards or signboards within the airport or the tourist information centre or where the advertisement is directly primarily at foreign visitors in Singapore. Limited advertisements, with only basic factual information on the casinos with no inducement or encouragement to play any game in a casino may be distributed within certain places, such as official tourist sites, registered hotels, the airport and other premises approved or managed by the Singapore Tourism Board.

##### Online gambling

The following are offences under the Remote Gambling Act:

- Publishing or authorising the publication of a remote gambling service advertisement in Singapore, including online advertisements which will be deemed to have been published in

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Singapore if the online location of the advertisement has been accessed or is accessible.

- Promoting remote gambling in Singapore or authorising the promotion of remote gambling in Singapore, whether or not the authorisation takes place inside or outside Singapore.

The above prohibitions do not apply to an exempt remote gambling operator if done in accordance with the conditions of its certificate of exemption.

It is a defence to the offence of publishing remote gambling advertisements if:

- The published advertisement was for or on the direction of an exempt remote gambling operator.
- The published advertisement was an accidental or incidental accompaniment to the publication of other matters not for the promotion of remote gambling and no additional direct or indirect benefit was received by that person for the advertisement.
- The person charged was acting in the course of business of delivering, transmitting or broadcasting communications or making data available and the nature of the business was such that the persons undertaking it do not have control over the nature or content of the communications or data.

It is a defence to the offence of promoting remote gambling if the promotion was not in the course of business and the person did not receive any direct or indirect benefit (financial or otherwise) for promoting remote gambling.

The Advertising Standards Authority of Singapore has also issued an advisory on gambling advertisements and promotions stating that marketing communications:

- Are not allowed if they:
  - directly or indirectly encourage the visiting of a gambling site, whether online or offline;
  - directly or indirectly encourage gambling activity; or
  - publicise or promote a gambling operator.
- Must not be directed at young persons or in any way encourage them to gamble.
- Must not depict excess participation by any person in gambling.
- Must not suggest that winning will be a definite or likely outcome of gambling or that a person's skill can influence the outcome of a gambling activity.
- Offer any gambling tip.
- Suggest that gambling will improve the financial prospects of a person.

The advisory also provides that advertisers should ensure that they have obtained prior approval from the relevant authority for any intended gambling marketing communications.

## **DEVELOPMENTS AND REFORM**

### **Legal development**

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#### **16. Has the legal status of land-based and online gambling changed significantly in recent years, and if so how?**

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##### **Land-based gambling**

There have been no significant changes to the legal status of land-based gambling in recent years.

##### **Online gambling**

The Remote Gambling Act came into force on 2 February 2015. Before the Remote Gambling Act came into force, while various gambling legislation generally prohibited gambling unless specifically permitted by way of an exemption or licence, they did not expressly address remote gambling as they were enacted before the internet era. As such, the regulatory approach towards remote gambling was not entirely clear.

With the commencement of the Remote Gambling Act, it is now clear that the prohibition against remote gambling is extremely broad, and the Remote Gambling Act criminalises the entire spectrum of remote gambling, prohibiting all forms of remote gambling activity, including gambling remotely, facilitating remote gambling, transmitting and receiving bets, and providing remote gambling services.

On 29 September 2016, the Ministry of Home Affairs (MHA) announced that that Singapore Turf Club and Singapore Pools have been approved as exempt operators for a period of three years under the Remote Gambling Act, subject to certain strict conditions. The exempt operators are required to keep their management and operations of the remote gambling service free from criminal influence, ensure the integrity of their operations and implement social safeguards and responsible gambling measures. The exempt operators will also be subject to regular audits and inspections. MHA noted in its press release that while a general prohibition against remote gambling is necessary, a complete ban will drive remote gambling activities underground, and exacerbate law and order concerns. A tightly-controlled exempt operator regime mitigates such concerns and is part of MHA's multi-pronged strategy to deal with remote gambling, which includes comprehensive legislation, enforcement, blocking measures and public education. Singapore Turf Club and Singapore Pools have since launched online wagering platforms and/or mobile applications to accept online bets for their existing products, subject to certain conditions. For example, all customers must be at least 21 years of age and their identity and age must be verified by requiring him or her to visit one of the branches in person.

##### **Reform**

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#### **17. What, if any, are the likely short-term and long-term developments/legislative amendments concerning gambling in your jurisdiction? Are there any proposals for reform?**

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In May 2015, the Singapore police conducted raids on remote gambling activities and arrested 11 people suspected of providing remote gambling services. In August 2017, the Singapore police arrested six people for their alleged involvement in providing remote gambling services as well as participating in remote gambling. It was reported that more than 120 people have been arrested for remote gambling activities since the Remote Gambling Act came into effect and the Ministry of Home Affairs (MHA) has also blocked hundreds of internet domains, bank accounts and credit card payments linked to illegal online gambling activities. The authors anticipate that more enforcement actions will be taken under the Remote Gambling Act to curtail these activities.



## ONLINE RESOURCES

### The Casino Regulatory Authority of Singapore

W [www.cra.gov.sg](http://www.cra.gov.sg)

**Description.** The official website of the Casino Regulatory Authority containing the latest developments and resources on casino legislation.

### The Ministry of Home Affairs

W [www.mha.gov.sg](http://www.mha.gov.sg)

**Description.** The official website of the Ministry of Home Affairs which contains information on gambling and casino regulation.

## Practical Law Contributor profiles



### YAP Wai Ming, Director

Morgan Lewis Stamford LLC

T +65 63893009  
F +65 63893099  
E [waiming.yap@morganlewis.com](mailto:waiming.yap@morganlewis.com)  
W [www.morganlewis.com](http://www.morganlewis.com)

**Professional qualifications.** Advocate and Solicitor, Supreme Court of Republic of Singapore; Advocate and Solicitor, High Court Malaya (Malaysia)

**Areas of practice.** Mergers and acquisitions; gaming and leisure.

**Non-professional qualifications.** LLB Honours, National University of Singapore

**Languages.** English, Bahasa, Mandarin

#### Professional associations/memberships

- Editor, Asia Gaming Lawyer.
- Editor, Gaming Law Review & Economics.
- Member, International Masters of Gaming Law.



### Gina NG, Associate

Morgan Lewis Stamford LLC

T +65 63893056  
F +65 63893099  
E [gina.ng@morganlewis.com](mailto:gina.ng@morganlewis.com)  
W [www.morganlewis.com](http://www.morganlewis.com)

**Professional qualifications.** Advocate and Solicitor, Supreme Court of Republic of Singapore

**Areas of practice.** Mergers and acquisitions; corporate and commercial.

**Non-professional qualifications.** LLB Honours, National University of Singapore

**Languages.** English, Mandarin