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In this June's issue, we provide a very brief outline on the regulatory framework for fund management in Singapore, and also the important updates to the Guidelines on Licensing, Registration, and Conduct of Business for Fund Management Companies, issued in March 2022. We separately take a look at the upcoming amendments to the regulatory framework for gambling activities in Singapore, whereby all gambling activities (including online gambling) will soon be managed by one central regulator.

I. Regulatory Requirements for Fund Management in Singapore

Henry Tan, Advocate & Solicitor

1. Introduction

On 1 March 2022, the Monetary Authority of Singapore (the "**MAS**") issued an updated version of its Guidelines on Licensing, Registration, and Conduct of Business for Fund Management Companies (the "**Guidelines**")¹, pursuant to Section 321 of the Securities and Futures Act 2001 (the "**SFA**")²³.

¹ The Guidelines are available at: <https://www.mas.gov.sg/-/media/MAS/Regulations-and-Financial-Stability/Regulations-Guidance-and-Licensing/Securities-Futures-and-Fund-Management/Regulations-Guidance-and-Licensing/Guidelines/SFA--Guidelines-on-Licensing-Registration-and-Conduct-of-Business-for-FMCs-Feb22.pdf>

² Broadly, Section 321 of the SFA gives the MAS general authority to issue codes, guidelines, policy statements, practice notes and no-action letters as it considers appropriate for providing guidance in furtherance of its regulatory objectives and in relation to the operation of the SFA.

³ Since the time they were first issued on 7 August 2012, the Guidelines have undergone several revisions, including, among others, revisions to (i) include coverage of Venture Capital Fund Managers, (ii) incorporate the Risk Based

The Guidelines are intended to provide guidance on the licensing, registration and conduct of fund management by companies⁴. Taking the opportunity of the issuance of the updated Guidelines, this article provides a very brief outline of the regulatory framework concerning fund management in Singapore. A brief introduction of the key legal concepts surrounding fund management is set forth in Section 2 below. This is followed by a brief overview, in the ensuing sections, of the discussion in the Guidelines on the different categories of FMCs, and the criteria for the licensing, registration and conduct of such FMCs.

For more details, please refer to the SFA, the Securities and Futures (Licensing and Conduct of Business) Regulations (the “**LCB Regulations**”)⁵, the Securities and Futures (Financial and Margin Requirements for Holders of Capital Markets Services Licences) Regulations (the “**FMR Regulations**”)⁶, the Guidelines and other resources available on the website of the MAS⁷.

2. Fund Management as a Regulated Activity

(1) Requirement for Capital Markets Services License

Fund management is a regulated activity in Singapore. Section 82(1), read with Section 2 and the Second Schedule of the SFA, requires any person who conducts or holds itself out as conducting business in fund management, whether as principal or agent, to hold a capital markets services license (“**CMS License**”) for fund management, unless certain exemptions apply.

(2) Definition of “fund management”

“Fund management” is defined in the Second Schedule of the SFA as managing the property of, or operating, a collective investment scheme (“**CIS**”)⁸, or undertaking on behalf of a customer (whether on a discretionary authority granted by the customer or otherwise) (a) the management of a portfolio of capital markets products or (b) the entry into spot foreign exchange contracts for

Capital Adequacy Requirements for Holders of Capital Markets Services Licences, (iii) elaborate on operational safeguards, (iv) clarify the meaning of substantive fund management activity and (v) supplement requirements on the competency of key individuals.

⁴ The Guidelines explain the minimum licensing criteria, eligibility criteria and business conduct requirements for fund management companies (“**FMCs**”). They are not meant to be exhaustive, and the MAS may impose additional conditions or requirements.

⁵ The LCB Regulations are available at: <https://sso.agc.gov.sg/SL/SFA2001-RG10?Provlds=P1I-#pr1->

⁶ The FMR Regulations are available at: <https://sso.agc.gov.sg/SL/289-RG13?DocDate=20181005&Provlds=P1III-#pr6->

⁷ <https://www.mas.gov.sg/>

⁸ As defined in the FSA.

the purpose of managing the customer's funds. Real estate investment trust management⁹ is excluded from the definition of fund management.

3. Categories of FMCs

(1) Types of FMCs

FMCs can be either (a) FMCs holding CMS Licenses ("**LFMCs**") or (b) Registered FMCs ("**RFMCs**") that are registered under paragraph 5(1)(i) of the Second Schedule to the LCB Regulations¹⁰. LFMCs are further sub-categorised into (i) retail LFMCs ("**Retail LFMCs**"), (ii) accredited/institutional LFMCs ("**A/I LFMCs**")¹¹ and (iii) managers of venture capital funds ("**VCFMs**")¹².

(2) Activities Permitted of FMCs

The activities permitted of FMCs are summarized in the following table.

Category of FMC		Permissible Activities
LFMCs	Retail LFMCs	Carrying on business in fund management with investors of all types, without restriction on the number of investors.
	A/I LFMCs	Carrying on business in fund management with qualified investors only, without restriction on the number of such investors.
	VCFMs	Carrying on business in fund management in respect of venture capital funds with qualified investors only, without restriction on the number of such investors.

⁹ As defined in the FSA.

¹⁰ The Second Schedule of the LCB Regulations prescribes for exemptions from, amongst others, Section 82(1) of the SFA.

¹¹ A/I LFMCs are LFMCs that carry on business in fund management with qualified investors. The Second Schedule of the LCB Regulations defines "**qualified investors**" as including "**accredited investors**" (which broadly refers to individuals and corporations holding net assets of more than S\$2 million and S\$10 million, respectively), and "**institutional investors**" (which broadly refers to sophisticated investors like central banks, banks, insurance companies, finance companies and holders of CMS Licenses), certain types of CIS, closed-end funds, limited partnerships and the like.

¹² VCFMs are fund management companies that invest in venture capital funds only. Such funds have to meet certain fund eligibility criteria such as being mainly invested in start-ups. Venture capital funds are subject to restrictions on investments and fund type. VCFMs are also restricted to serving only qualified investors. More information on the relevant criteria and restrictions is set forth in Appendix 7 of the Guidelines.

RFMCs	Carrying on business in fund management with no more than 30 qualified investors in aggregate (of which no more than 15 may be CIS, closed-end funds, or limited partnerships) ¹³ . Additionally, the total value of assets managed must not exceed S\$250 million.
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(3) Permitted Investors

As indicated in the table above, A/I LFCMs, VCFMs and RFMCs should not target retail investors.

A/I LFCMs, VCFMs and RFMCs may carry on business in fund management with their employees only if these employees (i) are accredited investors or (ii) (unless certain safeguards are put in place) are investment professionals¹⁴ employed by the FMC or employed within the same corporate group. For RFMCs, such investment professionals will be considered qualified investors for purposes of paragraph 5(1)(i) of the Second Schedule to LCB Regulations.

(4) Managed Assets

For purposes of determining the value of assets an FMC is managing, the FMC should include, where it provides advice or research to other investment managers, the moneys and assets contracted to the investment manager in respect of which the FMC has an agreement to provide the fund management services. In reporting these assets, the FMC should only include the portion that is attributable to it.

(5) Limit on Managed Assets by RFMCs

An RFMC should periodically monitor the size of the assets it is managing, to ensure its adherence to the limit of S\$250 million prescribed for RFMCs.

4. Criteria for Licensing or Registration of FMCs (other than VCFMs)

The following is an illustrative but non-exhaustive list of the criteria required to be met for persons wishing to be licensed or registered as FMCs (other than VCFMs).

¹³ Paragraph 5(1)(i) of the Second Schedule to the LCB Regulations.

¹⁴ Investment professionals are persons who perform the functions of portfolio management, research or dealing, and do not include individuals solely involved in activities such as client servicing, business development, marketing or risk management.

(1) Engagement in Substantive Fund Management Activity

To qualify for licensing or registration as an FMC, a person must engage substantively in fund management activity in Singapore such as portfolio management, investment research or trade execution. A person that acts as investment adviser, sub-adviser or provides research to other investment managers, whether in Singapore or overseas, would also be considered to be conducting substantive fund management activity if that person is able to exercise influence or control over the management of the investment portfolio, or provide inputs to the portfolio composition.

(2) Fit and Proper Requirements

An FMC should satisfy the MAS that its shareholders, directors, representatives and employees, as well as the FMC itself, are fit and proper, in accordance with the Guidelines on Fit and Proper Criteria issued by the MAS (the “**Fit and Proper Guidelines**”)¹⁵. The following factors will primarily be considered in determining whether a person is fit and proper: (a) honesty, integrity and reputation, (b) competence and capability and (c) financial soundness.

(3) Competency of Key Individuals

The CEO, directors and relevant professionals of the FMC must have adequate experience that is relevant to the fund management activities of the FMC. Details on such competency requirements are set forth in Appendix 1 of the Guidelines.

(4) Base Capital Requirements

An FMC must at all times meet the base capital thresholds set out in the FMR Regulations upon obtaining its licence or being registered with MAS. In view of this obligation, it would be prudent for the FMC to maintain an additional capital buffer, over and above the requisite base amount. The base capital thresholds are summarised in the following table¹⁶.

¹⁵ The Fit and Proper Guidelines are available at <https://www.mas.gov.sg/-/media/MAS/Regulations-and-Financial-Stability/Regulations-Guidance-and-Licensing/Financial-Advisers/Guidelines/1-July-2021-FSGG01-Guidelines-on-Fit-and-Proper-Criteria.pdf>.

¹⁶ Section 86(3) of the SFA, read with Section 3 and paragraph 3, item 6 of the First Schedule of the FMR Regulations.

Category of Activity	Base Capital Requirement
(a) Carrying out fund management in respect of any CIS offered to any investor other than an accredited or institutional investor.	S\$1,000,000
(b) Carrying out fund management (non-CIS) on behalf of any customer other than an accredited or institutional investor.	S\$500,000
(c) Carrying out fund management other than that described in (a) or (b) above.	S\$250,000

(5) Risk-Based Capital Requirements

Retail LFCs and A/I LFCs¹⁷ must at all times meet the risk-based capital requirement in the FMR Regulations and the Notice on Risk based Capital Adequacy Requirements for Holders of Capital Markets Services Licences issued by the MAS (the “**CAR Notice**”)¹⁸. The risk-based capital requirements in respect of Retail LFCs and A/I LFCs are set forth in the table below.

Category	Risk-based Capital Requirement
Retail LFCs	Financial resources are at least 120% of total risk requirement
A/I LFCs	

(6) Legal Structure and Office Space

FMCs should be Singapore incorporated companies with a permanent physical office in Singapore. The office should be dedicated, secure and accessible only to the FMC's directors and staff.

¹⁷ Sections 5(b) and 7 of the FMR Regulations.

¹⁸ The CAR Notice is available at: <https://www.mas.gov.sg/-/media/MAS/Regulations-and-Financial-Stability/Regulations-Guidance-and-Licensing/Securities-Futures-and-Fund-Management/Regulations-Guidance-and-Licensing/Notices/210927-SFA-04-N13-effective-28-September-2021.pdf>

5. Continuing Requirements for FMCs (other than VCFMs)

FMCs are required to comply on a continuing basis with all applicable business conduct requirements set forth in the SFA, LCB Regulations and relevant notices issued by the MAS from time to time. The following is an illustrative but non-exhaustive list of the continuing requirements that FMCs need to satisfy in the conduct of their business.

(1) Custody

An FMC must ensure that assets under its management are subject to independent custody. Independent custodians include prime brokers, depositories and banks that are suitably licensed, registered or authorised in their respective jurisdictions.

(2) Valuation & Reporting

An FMC must ensure that assets under its management are subject to independent valuation (by a third-party valuer or through a segregated in-house fund valuation function) and customer reporting.

(3) Mitigating Conflicts of Interest

An FMC must put in place mitigating measures to mitigate actual or potential conflicts of interest. Where appropriate, such conflicts of interest must be disclosed to its customers.

(4) Disclosure

An FMC should ensure adequate disclosure to its customers in respect of each fund or account that it manages. For this purpose, the Guidelines provide a list of matters that an FMC must disclose at the minimum.

(5) AML/CFT Requirements

An FMC must comply with requirements on anti-money laundering and countering the financing of terrorism, as set out in the Notice to Capital Markets Service Licensees and Exempt Persons on Prevention of Money Laundering and Countering the Financing of Terrorism (the “**AML/CFT Notice**”)¹⁹.

¹⁹ The AML/CFT Notice is available at <https://www.mas.gov.sg/-/media/MAS-Media->

6. Admission and Continuing Requirements for VCFMs

The objective of the VCFM regime is to facilitate the funding of early-stage start-up businesses by increasing their access to equity funding. Given the significant inherent investment risks, venture capital (“VC”) investors are typically highly sophisticated, and highly selective of the VC managers they choose to invest with. Most investors would only fund new rounds of capital raising by VC managers that have demonstrated success and track record in its initial fund. In addition, VC investors often negotiate stringent contractual safeguards to protect their own interests. Given these and other considerations²⁰, VCFMs are subject to a simplified set of admission criteria and ongoing requirements. A VCFM would still need to hold a CMS Licence for fund management, but will be exempt from certain provisions relating to FMCs²¹. For example, VCFMs will be subject to the Fit and Proper Guidelines and AML/CFT Notice, but would be subject to simplified disclosure and conflicts of Interest mitigation measures. Additionally, VCFMs will not be subject to base capital and risk-based capital requirements.

II. Update of Singapore’s Gambling Regulatory Regime pursuant to the Gambling Regulatory Authority of Singapore Bill and Gambling Control Bill

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1. Introduction

On 11 March 2022, the Singapore Parliament passed the Gambling Regulatory Authority of Singapore Bill (“**GRA Bill**”) and the Gambling Control Bill (“**GC Bill**”).²² First introduced in Parliament on 14 February 2022²³, the overall objective of the two bills is to update the gambling regulatory regime in Singapore by establishing the Gambling Regulatory Authority (“**GRA**”), and by consolidating and updating the existing gambling laws of Singapore, which are presently set out under five separate statutes.²⁴

[Library/regulation/notices/CMG/notice-sfa-04-n02/Notice-SFA04-N02-last-revised-on-1-March-2022.pdf](https://www.mas.gov.sg/-/media/MAS/News-and-Publications/Consultation-Papers/Consultation-Paper-on-Proposed-Regulatory-Regime-for-Managers-of-Venture-Capital-Funds.pdf).

²⁰ See the MAS’ Consultation Paper on the Proposed Regulatory Regime for Managers of Venture Capital Funds, available at: <https://www.mas.gov.sg/-/media/MAS/News-and-Publications/Consultation-Papers/Consultation-Paper-on-Proposed-Regulatory-Regime-for-Managers-of-Venture-Capital-Funds.pdf>

²¹ Section 14(5) of the LCB Regulations and Section 5(b) of the FMR Regulations.

²² Official reports – Parliamentary debates (Hansard). Sitting Date: 11 March 2022, Volume 95. Accessible at: <https://sprs.parl.gov.sg/search/home>

²³ Ministry of Home Affairs, Singapore, ‘First Reading of Gambling Regulatory Authority of Singapore Bill and Gambling Control Bill’ (14 February 2022) <<https://www.mha.gov.sg/mediaroom/press-releases/first-reading-of-gambling-regulatory-authority-of-singapore-bill-and-gambling-control-bill/>> accessed 28 March 2022

²⁴ Betting Act 1960, Casino Control Act 2006, Common Gaming Houses Act 1961, Private Lotteries Act 2011, and the Remote Gambling Act 2014.

This article takes a brief look at certain key provisions under the GRA Bill and GC Bill, and highlights a number of differences between the existing legislation and the GC Bill.

2. Gambling Regulatory Authority

At present, various government agencies oversee different aspects of gambling regulation in Singapore. The Casino Regulatory Authority (“**CRA**”) regulates land-based casinos; the Gambling Regulatory Unit of the Ministry of Home Affairs regulates online gambling services and fruit machines, while the Singapore Totalisator Board regulates physical gambling services operated by Singapore Pools. The Ministry of Social and Family Development develops and promotes social safeguards to address the harms of gambling, while the Singapore Police Force takes enforcement action against unlawful gambling activities.

The GRA Bill will establish the GRA as the single regulator for all forms of gambling, by re-naming and expanding the role of the existing Casino Regulatory Authority, which presently regulates the Singapore casino industry. Under the GRA Bill, the functions of the GRA include:²⁵

- (i) to scrutinise, regulate and control gambling in or affecting Singapore to ensure that it is conducted honestly and free from criminal influence and exploitation;
- (ii) to inquire into, and make recommendations to or otherwise advise the Minister on, matters relating to gambling;
- (iii) to research and inquire into matters relating to the control of gambling;
- (iv) to work collaboratively with —
 - (a) the National Council on Problem Gambling (“**NCPG**”) to reduce the prevalence of problem gambling and the severity of harm from gambling; and
 - (b) the Singapore Police Force and public authorities or other persons (whether in or outside Singapore) responsible for investigating and prosecuting crimes, or for the regulation and control of the conduct of gambling;
- (v) to foster responsible gambling and minimise the harm from gambling; and
- (vi) to set and maintain appropriate standards and levels of accountability for the conduct of gambling.

The GRA is targeted to be established during the middle of 2022.²⁶

²⁵ Gambling Regulatory Authority of Singapore Bill, section 5(1).

²⁶ Ministry of Home Affairs, Singapore (n 23).

3. Gambling Control Bill

(1) Non-casino gambling: Consolidation and update of existing legislation

The GC Bill comprehensively consolidates and updates the existing law under the Betting Act 1960, the Common Gaming Houses Act 1961, the Remote Gambling Act 2014, and the Private Lotteries Act 2011, with the objective of addressing emerging trends in gambling, namely the increased accessibility of gambling due to technology (such as online gambling through smart phones), and the blurring of boundaries between gambling and gaming, with gambling elements being introduced into products that are not traditionally perceived as gambling (such as “mystery boxes” or “loot boxes” in online games). Other key objectives are to ensure consistency in the regulatory treatment of different gambling products, and to enhance social safeguards.²⁷

(i) Definition of “gambling”

“Gambling” is defined under the GC Bill as any of the following: (1) betting; (2) engaging in gaming activity; or (3) participating in a lottery,²⁸ each of which are further defined as summarised below.

Betting

While the Betting Act 1960 does not define “betting”²⁹, the term is currently defined under the Remote Gambling Act 2014 as the staking of money or money’s worth on:³⁰

- (a) the outcome of a horse-race or sporting event (whether or not the horse-race or sporting event has already occurred or been completed); or
- (b) any other event, thing or matter specified or described by the Minister to be betting for the purposes of the Remote Gambling Act.

²⁷ Casino Regulatory Authority, Singapore, ‘The Gambling Control Bill 2022 And The Gambling Regulatory Authority Of Singapore Bill 2022 (Second Reading Speech)’ (11 March 2022) <<https://www.cra.gov.sg/news-events/speech/Detail/the-gambling-control-bill-2022-and-the-gambling-regulatory-authority-of-singapore-bill-2022>> accessed 28 March 2022

²⁸ Gambling Control Bill, section 4.

²⁹ The Singapore High Court has held that the term “bet” under the Betting Act 1960 should not be read restrictively to refer only to bets on horse races or sporting events, but should include bets on any contingency or event, except where expressly provided otherwise (*Peh Hai Yam v Public Prosecutor* [2017] SGHC 69).

³⁰ Remote Gambling Act 2014, section 4(1).

This definition appears to be revised and expanded under the GC Bill, which defines “betting” as:³¹

- (a) making or accepting a bet, involving payment or staking of any money or money equivalent³² or anything else of value, on:
 - (i) the outcome of a race, competition, sporting event or other event or process, taking place in Singapore or elsewhere;
 - (ii) the likelihood of anything occurring, or not occurring, in Singapore or elsewhere; or
 - (iii) whether anything is or is not true.
- (b) any transaction by way of gambling that is classified under the Regulations³³ as betting.

The GC Bill further provides guidance and clarifications as to what constitutes “betting”. For example, any transaction that relates to the outcome of a race, competition, sporting event or other event or process may be a bet despite the fact that the event or process has already occurred and one party to the transaction knows the outcome.³⁴ The following do not amount to “betting”:³⁵

- (a) any contract or agreement entered into by way of business and the making or performance of which by any party constitutes an investment activity within the meaning of section 5(5) of the Civil Law Act 1909³⁶; and

³¹ Gambling Control Bill, sections 5(1) and 5(3).

³² “Money equivalent” is defined under section 14 of the GC Bill as an arrangement under which a party has an encashable legal or equitable right or obligation to receive or provide a financial benefit (including a combination of one or more of the foregoing), or a right to receive money or something else that is a money equivalent as defined under the GC Bill. Examples include virtual vouchers, virtual coupons, virtual credits, virtual coins, virtual tokens, and virtual objects. “Encashable” is defined, in respect of a financial benefit, as one that is money or money equivalent, or is intended to be settled or satisfied by money or money equivalent, or is readily convertible into “money or money equivalent” and there is a market for such financial benefit with a high degree of liquidity.

³³ “Regulations” is defined under the Gambling Control Bill as any regulations made under section 126 of the Gambling Control Bill.

³⁴ Gambling Control Bill, section 5(4).

³⁵ Gambling Control Bill, section 5(2).

³⁶ “Investment activity” is defined under the Civil Law Act 1909 as: (1) a transaction: (a) in relation to a contract or an option for the future delivery of any securities, commodity, currency or financial instrument, whether or not there is any intention of actual delivery of such securities, commodity, currency or financial instrument; (b) in relation to a contract or an option which is entered into with the intention of settlement of differences in the prices or values of any securities, commodity, currency or financial instrument, whether or not there is any intention of actual delivery of such securities, commodity, currency or financial instrument; (c) involving the exchange or grant of an option for the exchange of any

- (b) a bet the making or accepting of which is excluded from the meaning of “betting” by the Minister.

Engaging in gaming activity

Currently, the Remote Gambling Act 2014 defines “gaming” as playing a game of chance for money or money’s worth, and further defines a “game of chance” as including: (1) a game that involves both an element of chance and an element of skill; or (2) a game that is presented as involving an element of chance.³⁷ It is noted that this definition is not exhaustive, and does not provide any further guidance on when a game of mixed skill and chance would be considered as a “game of chance” for the purposes of the Act.

Under the GC Bill, “engaging in gaming activity” is defined as: (1) playing a game of chance for a prize; or (2) playing a gaming machine.³⁸ A “game of chance” is in turn defined as including a game that:³⁹

- (a) involves both an element of chance and an element of skill;
- (b) involves an element of chance that can be eliminated by superlative skill;
- (c) is presented as involving an element of chance; or
- (d) is played with a gaming machine.

In the above definition, the GC Bill appears to clarify that in respect of games of mixed skill and chance, it would still be considered a “game of chance” even if the degree or element of chance involved is low (such that it can be eliminated by having a high degree of skill).

A “gaming machine” is defined under the GC Bill as a device (whether wholly or partly mechanically or electrically operated) that is adapted or designed and constructed for

securities, commodity, currency or financial instrument; (d) in securities, commodity, currency or financial instrument; (e) a transaction involving the grant of a right or an option relating to an obligation to pay interest or the exchange or grant of an option for the exchange of obligations to pay interest; (f) in relation to a contract or an option to pay the difference between a pre-agreed interest rate and the rate prevailing as at specified intervals; (g) in relation to any securities, futures contract or derivative which is listed or traded on any stock exchange, futures exchange or commodities exchange in any country outside Singapore; or (h) in relation to any other derivative including but not limited to any swap, cap, collar, floor and any combination thereof; or (2) such other activity as the Minister may by notification prescribe.

³⁷ Remote Gambling Act, section 4(1).

³⁸ Gambling Control Bill, section 7(1).

³⁹ Gambling Control Bill, section 7(6).

gambling, requirements the insertion of money or money equivalent to play, and pays out or registers a right to any money, money equivalent, or anything else of value.⁴⁰ As an illustration, the GC Bill lists a jackpot machine or fruit machine as examples of a gaming machine. Exceptions include: (1) amusement machines where the reward for one successful play is a prize worth less than S\$100 (or such other amount as may be prescribed), or an opportunity to play again without having to pay money or money equivalent; (2) a computer or communication device by reason only of the fact that it can be used to participate in remote gambling⁴¹; (3) a machine that dispenses lottery tickets or tickets or receipts that evidence a bet made (provided that the machine does not determine or announce the result of the lottery or bet).⁴²

Participating in a lottery

“Lottery” is similarly defined in each of the Remote Gambling Act 2014, the Private Lotteries Act 2011, and the Common Gaming Houses Act 1961⁴³ as any game, method, device, scheme or competition whereby 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 within or outside Singapore.⁴⁴

The GC Bill provides a more detailed definition, where “lottery” means an arrangement or a scheme, competition or device, which may or may not involve multiple participants, for the distribution of prizes where: (1) the entitlement to participate depends on the participant paying money or money equivalent or anything else of value, or the participant’s attendance or other qualification; and (2) the distribution of prizes depends on an element of chance (even where a genuine or purported exercise of skill is involved). Examples provided under the GC Bill include lucky draws, raffles and sweepstakes.

(ii) Licensing regime

Under the GC Bill, the GRA has the power to grant different types of licenses in respect of gambling, such as a license to conduct specific kinds of betting operations, conduct of gaming or conduct of lotteries.⁴⁵ A license may be subject to conditions imposed by the GRA, such as limits on the amount of bets or wagers, the amount and type of prizes offered, or requiring

⁴⁰ Gambling Control Bill, section 7(6).

⁴¹ “Remote gambling” is defined under section 3 of the GC Bill as gambling by the use of remote communication (whether wholly or partly), such as the Internet, telephone or other communication device, television or radio, or any other kind of electronic or other technology for facilitating communication.

⁴² Gambling Control Bill, section 7(6).

⁴³ It is noted that the definition under the Common Gaming Houses Act 1961 is indicated to be non-exhaustive.

⁴⁴ Remote Gambling Act 2014, section 4(1); Private Lotteries Act 2011, section 2; Common Gaming Houses Act 1961, section 2(1).

⁴⁵ Gambling Control Bill, section 52.

the licensee to undergo audits in respect of its compliance with the license conditions.⁴⁶ Further details on the licensing application process are expected to be set out in subsidiary legislation to be introduced in the future.

The GC Bill also provides that the Minister may from time to time issue class licenses that authorise specified persons to provide gambling services without a license. Such class licenses may be varied or revoked from time to time, and may be subject to conditions.⁴⁷

It is an offence for a person to conduct any betting operation or conduct any gaming or any lottery unless such person is one of the following: (1) a holder of a relevant license; (2) a licensee under a relevant class licensee; (3) an employee of a relevant licensee or class licensee who conducts the betting operation, gaming or lottery on behalf of, or in accordance with arrangements made by, such licensee in connection with the authorised gambling service under the license held by the licensee; (4) a gambling service agent (or an employee thereof) of a relevant licensee or class licensee who conducts the betting operation, gaming or lottery on behalf of, or in accordance with arrangements made by, such licensee in connection with the authorised gambling service under the license held by the licensee; (5) an exempt person; or (6) a person (including an employee thereof) granted a casino license to conduct the betting operation, gaming or lottery within a casino. The penalties for violation are liability on conviction to a fine of up to S\$500,000 and/or imprisonment for up to 7 years. In certain circumstances where the offender is found to have engaged in any conduct in connection with any betting operation, gaming or lottery without a valid licence or licence exemption on behalf of, or in accordance with arrangements made by, another person, a lower fine of up to S\$200,000 (or up to S\$300,000 for repeat offenders) and imprisonment of up to 5 years (or up to 7 years for repeat offenders) may apply.

(iii) Social gambling exemption

The GC Bill introduces an exemption regime for social gambling, whereby social gambling is excluded from certain prohibitions and/or restrictions under the Act. “Social gambling”, is defined as non-remote gambling that is conducted by an individual in his / her home or another individual’s home where the participants are either members of the same family or who know each other personally, is substantially spontaneous (even though it may occur regularly or by arrangement between the participants), is not promoted or conducted: (1) for private gain of any person not participating in the gambling; or (2) in the course of any business, and is such that a participant may only make profit or gain from the gambling by winning.

⁴⁶ Gambling Control Bill, section 57.

⁴⁷ Gambling Control Bill, sections 60 – 62.

(2) Casino gambling: Amendments to the Casino Control Act 2006

Casino gambling will continue to be regulated under its existing legislation, namely the Casino Control Act 2006 (“**CCA**”), which is intended to be further amended pursuant to the Casino Control (Amendment) Bill to be introduced at a later date.⁴⁸ As such, a majority of the amendments to the CCA pursuant to the GC Bill are only in respect of two areas: (1) exclusion orders; and (2) introduction of the offence of proxy gambling.

Currently under the CCA, exclusion orders may be issued by a casino operator, the CRA, the Commissioner of Police, or the “Committee of Assessors”⁴⁹ constituted by the NCPG to prohibit persons from entering or remaining on casino premises.⁵⁰ Pursuant to the GC Bill⁵¹, the CCA will be amended such that, among other things, the NCPG may also issue exclusion orders that prohibit persons from: (1) entering, remaining in or taking part in any gaming in gaming machine rooms⁵², such as fruit machine rooms; and/or (2) engaging in any manner of general remote gambling, such as online gambling.

In respect of proxy gambling, the amendments to the CCA provide that it is an offence for a person to have another individual gamble on the person’s behalf in casino premises, and a person who commits such an offence shall be liable on conviction to a fine of up to S\$10,000 and/or imprisonment of up to 12 months.⁵³

⁴⁸ Ministry of Home Affairs, Singapore (n 23).

⁴⁹ Comprising a chairperson who is a member of the NCPG and two other members selected from a panel of assessors appointed by the NCPG.

⁵⁰ Casino Control Act 2006, sections 120, 121, 122, and 165.

⁵¹ Gambling Control Bill, section 134.

⁵² “*Gaming machine room*” is defined under the GC Bill to mean any room or similar enclosed location that is or is within an approved gambling venue and is where gaming machines are authorised by or under the Gambling Control Act (a) to be installed and operated (but not just played); and (b) to be made available to others to play, in the course of the conduct of gaming. The CCA amendments define “*gaming machine room*” by reference to the Gambling Control Act.

⁵³ Gambling Control Bill, section 135.

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