

# Private Lotteries (Amendment) Bill

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**Bill No. 9/2006.**

*Read the first time on 27th February 2006.*

A BILL

*intituled*

An Act to amend the Private Lotteries Act (Chapter 250 of the 1985 Revised Edition) and to make related amendments to the Betting and Sweepstake Duties Act (Chapter 22 of the 1999 Revised Edition) and the Inland Revenue Authority of Singapore Act (Chapter 138A of the 1993 Revised Edition).

Be it enacted by the President with the advice and consent of the Parliament of Singapore, as follows:

### Short title and commencement

1. This Act may be cited as the Private Lotteries (Amendment) Act 2006 and shall come into operation on such date as the Minister may, by notification in the *Gazette*, appoint.

### 5 Amendment of section 2

2. Section 2 of the Private Lotteries Act (referred to in this Act as the principal Act) is amended —

(a) by deleting the definitions of “Commissioner” and “fruit machine” and substituting the following definitions:

10 ““Commissioner” means the Commissioner of Betting Duties appointed under section 2B, and includes a Deputy Commissioner of Betting Duties and an Assistant Commissioner of Betting Duties appointed under that section;

15 “fruit machine” means any machine —

(a) operated by the use of a coin, a token, a stored value card or any other thing; and

(b) by the manipulation of which chances are given of obtaining prizes in money,

20 and includes a jackpot machine, but does not include any machine declared by the Minister for Home Affairs by order published in the *Gazette* not to be a fruit machine;” and

25 (b) by deleting the definition of “private lottery” and substituting the following definitions:

““permit” means a permit granted under section 4;

30 “Permit Officer” means the Permit Officer appointed under section 2A, and includes a person appointed under that section to act in his place during his temporary absence and, except under section 11, an Assistant Permit Officer appointed under section 2A;

“private lottery” means a lottery in which tickets or chances are offered for sale only to members of a society which is established for purposes not connected with gaming, wagering or lotteries;”.

5 **New sections 2A and 2B**

3. The principal Act is amended by inserting, immediately after section 2, the following sections:

**“Appointment of Permit Officer, etc.**

10 **2A.**—(1) For the purposes of this Act, the Minister for Home Affairs may, by notification in the *Gazette*, appoint a Permit Officer and such number of Assistant Permit Officers as he thinks fit.

(2) If the Permit Officer is temporarily absent or for any reason temporarily unable to perform his duties, the Minister for Home Affairs may appoint a person to act in the place of the Permit Officer during such period of absence from duty.

15 (3) The Permit Officer may, in writing, authorise any officer to perform or to assist in the performance of any duty imposed on or to exercise any power conferred upon the Permit Officer by this Act other than section 11.

20 **Appointment of Commissioner, etc.**

**2B.**—(1) For the purposes of this Act, the Minister for Finance may, by notification in the *Gazette*, appoint a Commissioner of Betting Duties and such number of Deputy Commissioners of Betting Duties and Assistant Commissioners of Betting Duties as he thinks fit.

(2) The Commissioner may, in writing, authorise any officer to perform or to assist in the performance of any duty imposed on or to exercise any power conferred upon the Commissioner by this Act.”.

**Amendment of section 3**

30 **4.** Section 3 of the principal Act is amended by deleting the word “Commissioner” and substituting the words “Permit Officer”.

#### **Amendment of section 4**

5. Section 4 of the principal Act is amended —

- (a) by deleting the word “Commissioner” in subsections (1) and (2) and in the section heading and substituting in each case the words “Permit Officer”;
- (b) by inserting, immediately after the word “prescribed” in subsection (3), the words “, and shall be accompanied by the prescribed fee”;
- (c) by inserting, immediately after subsection (3), the following subsection:
- “(3A) The Permit Officer may require the applicant to furnish him with such additional information and documents as he may require.”; and
- (d) by deleting subsections (4) and (5) and substituting the following subsections:
- “(4) The Permit Officer may, at any time, suspend for such period as he deems appropriate or revoke a permit granted under this section.
- (5) Any person who is aggrieved by a decision of the Permit Officer in refusing an application for a permit or suspending or revoking a permit may, within 14 days of being notified of that decision, appeal to the Minister for Home Affairs whose decision shall be final.”.

#### **Amendment of section 5**

6. Section 5 of the principal Act is amended —

- (a) by deleting the word “Commissioner” in subsections (1) and (2) and substituting in each case the words “Permit Officer”; and
- (b) by inserting, immediately after subsection (2), the following subsections:
- “(3) The Permit Officer may at any time add to, vary or revoke any of the conditions imposed under subsection (1).
- (4) The holder of a permit who is aggrieved by any condition imposed under subsection (1) or by the addition, variation or revocation of any condition under subsection (3) may, within

14 days of being notified of that decision, appeal to the Minister for Home Affairs whose decision shall be final.”.

**Amendment of section 6**

7. Section 6 of the principal Act is amended by deleting subsection (4).

5 **Amendment of section 7**

8. Section 7 of the principal Act is amended by deleting subsection (1) and substituting the following subsection:

“(1) There shall be charged —

10 (a) a duty of 30% on the total amount raised from any private lottery (not being one that is conducted using a fruit machine) by the promoter of the private lottery, as shown in the account required to be made and as finally approved by the Commissioner under section 6; and

15 (b) a duty of 12% on the total amount invested by players of each fruit machine (without any deduction of winnings paid out) in order to play it.”.

**Repeal and re-enactment of section 9**

9. Section 9 of the principal Act is repealed and the following section substituted therefor:

20 **“Offences of non-compliance with section 6, non-submission of accounts and submission of false accounts**

9.—(1) If the promoter of any private lottery fails to comply with any of the provisions of section 6, he shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$500.

25 (2) The promoter of any private lottery who, with intent to evade the duty chargeable under this Act —

(a) fails to submit any audited account to the Commissioner under section 6(3); or

(b) submits to the Commissioner any audited account which is false in any material particular,

shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$1,000 or 4 times the amount of the duty payable, whichever is the higher.”.

### **Amendment of section 10**

**10.** Section 10 of the principal Act is amended —

(a) by deleting subsection (1) and substituting the following subsections:

“(1) Any person who promotes or conducts any private lottery without a valid permit shall be guilty of an offence and shall be liable on conviction —

(a) if one or more fruit machines are used in the promotion or conduct of the lottery, to a fine of not less than \$10,000 for each machine (but not exceeding in the aggregate \$200,000) or to imprisonment for a term not exceeding 5 years or to both; or

(b) in any other case, to a fine not exceeding \$20,000 or to imprisonment for a term not exceeding 3 years or to both.

(1A) Any person who promotes or conducts any private lottery —

(a) during the period of suspension of the permit granted in respect of that lottery; or

(b) in contravention of any condition of the permit granted in respect of that lottery,

shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$5,000 or to imprisonment for a term not exceeding 6 months or to both.”; and

(b) by deleting subsection (3) and substituting the following subsections:

(3) Where one or more fruit machines are found on a part of any premises used by a society for its purposes, being a part

that is accessible to members of the society, the occupier of those premises shall be presumed, until the contrary is proved, to be promoting a private lottery to members of the society.

(4) Any person abetting the commission of an offence referred to in subsection (1) or (1A) shall be guilty of an offence and shall be liable on conviction to the punishment specified in that subsection.”.

### **Repeal and re-enactment of section 11**

**11.** Section 11 of the principal Act is repealed and the following section substituted therefor:

#### **“Search of premises**

**11.—**(1) If the Permit Officer has reasonable cause to believe that an offence under section 10 is being, has been or is about to be committed on any premises, he may authorise in writing any police officer to enter the premises at any time and if necessary by force, and to search them.

(2) Any police officer who enters the premises under such authority may search the premises and seize and retain any machine or part thereof, document, money or other thing found therein which the police officer has reasonable cause to believe may be required as evidence for the purposes of proceedings in respect of such offence.

(3) Any person who obstructs a police officer in the exercise of his powers under subsection (1) or (2) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$5,000 or to imprisonment for a term not exceeding 6 months or to both.”.

### **Repeal and re-enactment of section 13 and new section 13A**

**12.** Section 13 of the principal Act is repealed and the following sections substituted therefor:

#### **“Forfeiture**

**13.—**(1) A court may order that —

(a) any money or other valuable thing shown to the court’s satisfaction to represent the price of tickets or chances, or

prize money or prizes, in a private lottery promoted or conducted in contravention of section 10; or

- (b) any machine or part thereof, document or other thing shown to the court's satisfaction to relate to the commission of an offence under section 10,

shall be forfeited to the Government, and either destroyed or otherwise dealt with in such manner as the court may order.

(2) Where —

- (a) the court proposes to order anything to be forfeited under this section; and  
 (b) a person claiming to have an interest in it applies to be heard by the court,

the court shall not order it to be forfeited unless that person has been given an opportunity to show cause why the order should not be made.

(3) The court may make an order under this section notwithstanding that no person has been charged with or convicted of an offence under section 10 in relation to the thing to be forfeited.

### **Composition of offences**

**13A.**—(1) The Commissioner may, in his discretion, compound —

- (a) an offence under section 9(1) by collecting from a person reasonably suspected of having committed the offence a sum not exceeding \$250; or  
 (b) an offence under section 9(2) by collecting from a person reasonably suspected of having committed the offence a sum not exceeding twice the amount of duty payable or \$5,000, whichever is the lesser.

(2) The Permit Officer may, in his discretion, compound an offence under section 10(1A) or (4) in respect of the abetment of the commission of an offence referred to in section 10(1A), by collecting from a person reasonably suspected of having committed the offence a sum not exceeding \$2,500.

(3) On payment of such sum of money, no further proceedings shall be taken against that person in respect of that offence.

(4) All sums collected under this section shall be paid into the Consolidated Fund.”.

### **Repeal and re-enactment of section 14**

5 **13.** Section 14 of the principal Act is repealed and the following section substituted therefor:

#### **“Regulations**

**14.**—(1) The Minister for Home Affairs may make regulations —

- (a) to prescribe anything which may be prescribed under section 4; and
- 10 (b) to prescribe any other matter which may be necessary for the purpose of carrying section 4 or 5 into effect.

(2) The Minister for Finance may make regulations —

- (a) to provide for the manner in which the duty chargeable under this Act shall be payable;
- 15 (b) to prescribe anything which may be prescribed under section 6; and
- (c) to prescribe any other matter which may be necessary for the purpose of carrying section 6, 7 or 8 into effect.”.

### **Amendment of section 17**

20 **14.** The principal Act is amended by renumbering section 17 as subsection (1) of that section, and by inserting immediately thereafter the following subsection:

“(2) In this section, “Minister” means —

- 25 (a) for the purposes of sections 3 and 10 and regulations made under section 14(1), the Minister for Home Affairs; or
- (b) for the purposes of sections 6 to 9 and regulations made under section 14(2), the Minister for Finance.”.

### **Related amendment to Betting and Sweepstake Duties Act**

30 **15.** Section 2 of the Betting and Sweepstake Duties Act (Cap. 22) is amended by deleting the definition of “Commissioner” and substituting the following definition:

““Commissioner” means the Commissioner of Betting Duties or any Deputy Commissioner of Betting Duties or Assistant Commissioner of Betting Duties appointed under the Private Lotteries Act (Cap. 250);”.

5 **Related amendments to Inland Revenue Authority of Singapore Act**

**16.** The Fourth Schedule to the Inland Revenue Authority of Singapore Act (Cap. 138A) is amended —

- (a) by deleting the words “and the Betting and Sweepstake Duties Act” in item 3;
- 10 (b) by deleting the marginal reference “Cap. 22” in item 3;
- (c) by deleting the words “and the Private Lotteries Act” in item 4;
- (d) by deleting the marginal reference “Cap. 250” in item 4; and
- (e) by inserting, immediately after item 6, the following item:

15 “7. The Commissioner of Betting Duties under the Private Lotteries Act (Cap. 250) and the Betting and Sweepstake Duties Act (Cap. 22).”.

**Savings**

**17.** Any permit granted under section 4 of the principal Act before the date of commencement of this Act, being a permit that is in force immediately before that date, shall, unless suspended or revoked —

- 20 (a) be deemed to be a permit granted by the Permit Officer under section 4 of the principal Act;
- (b) expire on the date it would have expired had this Act not been enacted; and
- 25 (c) be subject to those conditions imposed on it under section 5 of the principal Act before that date that were in force immediately before that date, as if those conditions had been imposed by the Permit Officer under that section.

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## EXPLANATORY STATEMENT

This Bill seeks to amend the Private Lotteries Act (Cap. 250) principally —

- (a) to provide for the appointment by the Minister for Home Affairs of a Permit Officer with the power to grant permits for the promotion or conduct of private lotteries;
- (b) to provide for the appointment by the Minister for Finance of a Commissioner of Betting Duties with the power to collect duties under the Act;
- (c) to provide that duties chargeable under the Act are to be computed against actual turnover; and
- (d) to provide for a power of composition for certain offences under the Act.

The Bill also makes related amendments to the Betting and Sweepstake Duties Act (Cap. 22) and the Inland Revenue Authority of Singapore Act (Cap. 138A).

Clause 1 relates to the short title and commencement.

Clause 2 amends section 2 to insert new definitions for “Commissioner”, “permit” and “Permit Officer”, update the definition of “fruit machine” and clarify the definition of “private lottery”.

Clause 3 inserts new sections 2A and 2B.

The new section 2A provides for the appointment by the Minister for Home Affairs of a Permit Officer and one or more Assistant Permit Officers.

The new section 2B provides for the appointment by the Minister for Finance of a Commissioner of Betting Duties and one or more Deputy Commissioners of Betting Duties and Assistant Commissioners of Betting Duties.

Clauses 4, 5 and 6 amend sections 3, 4 and 5, respectively, to substitute the references to “Commissioner” with “Permit Officer” in order to vest in the Permit Officer the power to regulate the promotion and conduct of private lotteries.

Clause 5 also amends section 4 (Power of Permit Officer to grant permit) to include a fee for an application for a permit, a right to demand for information or documents from an applicant for a permit, and a power to suspend a permit.

Clause 6 also amends section 5 (Conditions in permits) to include a power to add, vary or revoke permit conditions (formerly in section 4(4)) and a right of appeal against the imposition, addition, variation or deletion of a condition (formerly in section 4(5)).

Clause 7 amends section 6 (Accounts to be kept) to remove subsection (4) as the effect of non-compliance with the section is provided for under the new section 9.

Clause 8 amends section 7 (Duty on lotteries) to provide that —

- (a) the duty chargeable in respect of any private lottery conducted otherwise than through a fruit machine is 30% of the total amount raised as shown in accounts kept under section 6; and

- (b) the duty chargeable in respect of any private lottery conducted through a fruit machine is 12% of the total amount of moneys invested by players when playing the fruit machine, without any deduction for any winnings paid out by the fruit machine.

Clause 9 repeals and re-enacts section 9 (Penalty for false accounts). Under the new section 9, it is an offence not to comply with section 6, or to fail to submit accounts or to submit false accounts with intent to evade duty.

Clause 10 amends section 10 (Penalty for promoting private lottery without permit or in contravention of conditions) —

- (a) to increase the penalty for promoting or conducting a private lottery without a valid permit;
- (b) to introduce the offence of conducting a private lottery during the suspension of the permit concerned; and
- (c) to create a presumption that the occupier of any premises used by a society is promoting a private lottery if one or more fruit machines are found on the premises.

Clause 11 repeals and re-enacts section 11 (Search of premises). The new section 11 empowers the Permit Officer to authorise a police officer to enter any premises and search, seize and detain machines and other things reasonably believed to be required as evidence for proceedings for an offence against section 10.

Clause 12 repeals and re-enacts section 13 (Forfeiture) to extend the power to order forfeiture to machines and other things used in connection with an offence against section 10; and to include a right by interested persons to show cause to the court why forfeiture should not be ordered.

The clause also inserts a new section 13A which empowers the Commissioner to compound offences under the new section 9 and empowers the Permit Officer to compound certain offences under section 10.

Clause 13 repeals and re-enacts section 14 (Regulations) to divide the regulation-making powers under the Act between the Minister for Home Affairs and the Minister for Finance.

Clause 14 amends section 17 (Power to exempt) to empower the Minister for Home Affairs and the Minister for Finance to make exemption orders under that section, and to provide for the circumstances under which each Minister may exercise that power.

Clause 15 makes a related amendment to section 2 of the Betting and Sweepstake Duties Act (Cap. 22) to provide that the Commissioner of Betting Duties is responsible for collecting duties under that Act in place of the Commissioner of Stamp Duties.

Clause 16 makes related amendments to the Fourth Schedule to the Inland Revenue Authority of Singapore Act (Cap. 138A) to include the Commissioner of Betting Duties in that Schedule, which specifies office holders for the purposes of section 26(2) of that Act (legal officers of the Authority may appear in civil proceedings involving certain office holders).

Clause 17 is a savings provision relating to permits issued under the Act in force before the date of commencement of the Bill.

### EXPENDITURE OF PUBLIC MONEY

This Bill will not involve the Government in any extra financial expenditure.

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