

Regulatory Regime on Basketball Betting

Consultation Document

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Chapter 1: Introduction

1.1. The Government attaches great importance to the prevention and alleviation of gambling-related problems, and has adopted a **multi-pronged strategy** including **regulation through legislation, law enforcement against illegal gambling activities, public education on the harms of gambling addiction and provision of counselling and support services to people in need.**

1.2. On regulation through legislation, the Government's long-established policy is to restrict the gambling activities to a limited number of authorised and regulated outlets. The policy objective of such authorisation is to address the actual and persistent public demand for certain gambling activities which is being satisfied by illegal means and the issue cannot be tackled by law enforcement alone.

1.3. In recent years, quite some members of the public have expressed concerns about the problem of illegal basketball betting in Hong Kong which has grown increasingly popular both in terms of the number of people participating in it and the turnover involved.

1.4. To combat illegal betting activities in an effective manner, the Financial Secretary announced in the **2025-26 Budget Speech** that the Government will explore regulating basketball betting activities and invite The Hong Kong Jockey Club ("HKJC") to submit a proposal.

1.5. Against this background, the Home and Youth Affairs Bureau ("HYAB") has reviewed the proposal submitted by HKJC and a range of issues relating to illegal basketball betting, and propose establishing a regulatory regime for basketball betting by modelling on the existing regime for football betting. This would necessitate amendments to the Betting Duty Ordinance (Cap. 108) ("BDO").

1.6. This consultation document sets out the background of the Government's established gambling policy, observations regarding the trend of illegal basketball betting, as well as the details of the proposed regulatory regime for basketball betting.

1.7. The Government welcomes views from members of the public on the proposal (submission form at **Annex**). The deadline for submission is **2 May 2025 (Friday)**. Please send the submissions by post (date of the stamp chop will be taken as the submission date), fax or e-mail to:

Address: 13/F, West Wing,
Central Government Offices,
2 Tim Mei Avenue, Tamar, Hong Kong
(Attention: Home Affairs Division, Home and
Youth Affairs Bureau)

Fax No.: 2591 6002

E-mail ha@hyab.gov.hk

1.8. Please note that the submissions received may be made available to the media and the public unless parties concerned have advised otherwise.

Chapter 2: Gambling Policy and Multi-Pronged Approach in Addressing Gambling-Related Problems

The Gambling Policy

2.1. As a matter of policy, the Government does not encourage gambling. There is however undeniably **an actual and persistent demand** for gambling in Hong Kong which, if left unregulated, would likely give rise to illegal gambling activities and associated social problems and other criminal activities. Meanwhile, it is impossible to reconcile the different views in the community on the extent to which authorised gambling outlets should be allowed to exist.

2.2. As such, the Government adopts a pragmatic approach by allowing only a limited number of authorised gambling outlets. At present, such authorised gambling outlets include horse racing, football betting and Mark Six Lottery as organised by HKJC, as well as certain gaming activities authorised by the public officer appointed by the Secretary for Home and Youth Affairs under the Gambling Ordinance (Cap. 148) (e.g. mahjong parlours).

2.3. Generally speaking, when assessing the need to authorise new betting activities, the following three factors will be taken into account:

- (i) there is an actual and persistent demand from the public for a certain type of betting activity;
- (ii) the above demand is now being satisfied by illegal means, and the problem cannot be practically and fully tackled by law enforcement action even with the devotion of substantial resources; and
- (iii) the proposed authorisation of such type of betting activity is supported by the community.

2.4. These criteria ensure that any decision to regulate new betting activities is made with careful consideration of societal impact and public interest. They are also consistent with the approach taken in assessing the addition of betting activities in the past, notably the regulation of football betting in the early 2000s. The policy strikes a balance between the demand for gambling and the concerns about the negative impact of gambling, and is well-accepted by the community.

Multi-Pronged Approach in Addressing Gambling-Related Problems

(a) Regulatory Regimes for Betting Activities

2.5. According to the BDO, the Secretary for Home and Youth Affairs may, by issuing a licence to a company, authorise the company to conduct horse race betting, football betting and/or lotteries. All along, HKJC is the only licensed operator under the BDO as having more than one operator may lead to competitions among operators and stimulate betting demand which is not in line with our gambling policy.

2.6. Over the years, the regulatory regime has generally been effective in combatting illegal betting activities. Some of the examples are set out in the ensuing paragraphs.

2.7. In 2003, the Government regulated football betting through enactment of the Betting Duty (Amendment) Ordinance 2003 and licensed HKJC as the operator of football betting. According to HKJC, since the legalisation of football betting in 2003, it has diverted back to the legal channel over \$1,581 billion of turnover, which would have continued to flow into the unregulated and illegal gambling market without the regulation, and generated over \$116 billion betting duty, demonstrating the effectiveness of the regulatory regime.

2.8. As regards horse race betting, the Government has also approved proposals from HKJC for increasing horse race betting activities in the past years with a view to combatting illegal betting. Each approval was followed by effective channelisation of illegal gambling to the regulated betting channel.

2.9. For instance, in 2021, approval was given for HKJC to increase the maximum number of simulcast occasions on non-local race days (“simulcast days”) per year from 23 to 37, and to conduct the simulcast days during the summer break (i.e. from 17 July to 31 August). Prior to this approval, there was a noticeable surge in illegal gambling activities during summer months when no legal betting options were available. According to HKJC, one of the prominent illegal horse race betting operators targeting Hong Kong bettors had its average weekly traffic volume increased by 46% during summer breaks between the 2016/17 and 2017/18 racing seasons comparing to their average traffic volume during Hong Kong’s racing season. Following the introduction of additional simulcast days in summertime, HKJC observed a significant decline in website traffic of illegal

gambling platforms. Specifically, the traffic to these sites during the summer of 2024 decreased by 41% compared to the summer of 2020 (i.e. before simulcast days were allowed to be conducted during summertime). This demonstrates the effectiveness of providing legal betting alternatives in curbing illegal gambling activities.

2.10. Notwithstanding the provision of the above betting activities over the past years, it is worth noting that the impact on young people remains steady. Specifically, the proportion of bettors in the 18-21 age group has consistently remained below 2% in the past five years, indicating that the impact of the additional betting activities on young people has been minimal.

(b) Law Enforcement Against Illegal Gambling Activities

2.11. Illegal online gambling operations are frequently linked to organised crime networks, both local and transnational, and may serve as hubs for ancillary criminal activities such as fraud, money laundering, and coercive debt collection. To address these threats, the Hong Kong Police Force (“HKPF”) employs a multi-pronged strategy. Units across frontline and headquarters levels, including the Organized Crime and Triad Bureau, conduct proactive cyber patrols and intelligence-gathering operations to disrupt illegal bookmaking syndicates. Collaborating divisions further support these efforts by collecting data through public tip-offs, financial audits, and digital forensics. Enforcement actions target not only syndicate leaders and platform operators but also lower-tier participants, such as agents and stooge account holders. Between 2024 and February 2025, intelligence-led operations successfully dismantled six major local gambling syndicates. These crackdowns led to the arrest of 107 individuals and the seizure of around \$2 billion worth of betting records related to illicit sports wagering and online casino games. Such coordinated measures underscore HKPF’s commitment to disrupting the financial and operational foundations of organised crime in the illegal online gambling sector.

2.12. To address the threats posed by transnational syndicates, HKPF collaborates with INTERPOL and other international law enforcement agencies, sharing intelligence and conducting joint operations. HKPF investigates illegal gambling websites both within and outside Hong Kong, taking action once sufficient evidence is gathered. In addition to capacity-building initiatives, such as internal training programmes, HKPF also enhances frontline officers’ awareness of evolving online gambling trends and sharpens their investigative capabilities. On the public

education front, HKPF allocates resources to public campaigns during major sporting events, particularly the FIFA World Cup and UEFA European Football Championship, to raise awareness about the risks of illegal gambling and its links to money laundering.

(c) Public Education and Provision of Counselling and Support Services

2.13. Another key component of the multi-pronged strategy in addressing gambling-related problems concerns the public education and provision of counselling and support services. On this front, the Government established the Ping Wo Fund (“PWF”) in 2003. The PWF serves as a critical resource for financing both preventive and remedial measures to address the gambling-related problems. The Ping Wo Fund Advisory Committee (“PWFAC”) was also established to provide advice to the Secretary for Home and Youth Affairs on the use and application of the PWF.

2.14. The PWF has been funding four counselling and treatment centres (“counselling centres”)¹ to provide telephone counselling, face-to-face counselling, professional treatment and other support services for people with gambling disorder as well as their family members and friends. The four counselling centres also assist in the operation of the gambling counselling hotline (183 4633) and answer enquiries from those in need and the members of the public through their instant messaging applications and social media platforms. Furthermore, the counselling centres organise staff and professional training programmes, while actively engaging with schools and the broader community to educate students and the general public about how to prevent and address gambling-related issues. It is worth noting that there is no obvious rising trend in the number of clients who sought and received counselling and treatment services provided by the counselling centres in recent years, which is about 2 500 in 2019 (before the pandemic) and some 2 600 in 2024. This may be an indicator that the problem of gambling disorder has not worsened.

2.15. In addition to providing counselling and support services to individuals affected by gambling as well as their family members, the PWF has consistently prioritised public education and awareness campaigns to raise public awareness on the harms of gambling addiction, and to increase public knowledge of the services

¹ They include (i) Tung Wah Group of Hospitals Even Centre; (ii) Caritas Addicted Gamblers Counselling Centre; (iii) Zion Social Service Yuk Lai Hin Counselling Centre; and (iv) Sunshine Lutheran Centre of the Hong Kong Lutheran Social Service.

available, enabling those in need to seek help at an early stage. These public education measures include but are not limited to the implementation of two annual funding schemes, which provide financial support for NGOs and schools for organising public education programmes aimed at preventing and alleviating gambling-related problems. Other measures include a publicity truck programme, which tours around and pays visits to schools to educate the public on the harms caused by gambling addiction through multimedia exhibitions and interactive games, as well as other promotional efforts on traditional media and online platforms. The funding support on public education and other publicity measures (including those provided to schools) by the PWF to prevent and alleviate gambling-related problems is around \$18 million for 2025 and the amount is expected to further increase to step up the promotion.

2.16. Indeed, the PWF has been enhancing the accessibility of counselling services in recent years by introducing online counselling, as well as text messaging support. It has also expanded the service targets of counselling centres and strengthened promotional efforts through traditional media, online platforms, and social media. Additionally, the PWF also works towards reducing the stigma often associated with gambling, encouraging more people to reach out for assistance. This multi-channel approach and enhanced publicity have made it easier and more comfortable for individuals to seek help, such as discussing their gambling-related issues through counselling at an early stage.

2.17. The PWF will closely monitor the prevalence of gambling activities among the people of Hong Kong. In addition to providing appropriate counselling, treatment and other support services for individuals affected by gambling-related problems as well as their family members, the PWF will launch targeted public education and publicity campaigns to raise public awareness (particularly among young people) on the harms of gambling addiction, thereby mitigating its associated negative consequences. The Government will also review the work of the PWF, including that of the four counseling centres, as well as other public education and publicity work, with a view to enhancing their respective service efficacy. In doing so, the Government will strengthen the collaboration with PWFAC to closely monitor and respond to the gambling situation in Hong Kong, as well as to optimise its work as appropriate to achieve the objective of preventing and mitigating gambling-related problems.

Chapter 3: Proliferation of Illegal Basketball Betting Activities

3.1. While the multi-pronged strategy has generally been effective in addressing the gambling-related problems, challenges remain as the technology advancement in recent years have made online illegal bookmaking easier and more accessible.

3.2. Specifically, HKPF has observed a notable rise in online illegal gambling, driven by the COVID-19 pandemic and technological advancement. Technological factors have significantly reduced the costs of establishing, operating, promoting, and relocating² illegal betting platforms, accelerating the shift of unlawful gambling and bookmaking activities to the digital world. Popular betting options on these platforms include major sporting events such as football, horse racing, and basketball. The high accessibility of these platforms, coupled with streamlined payment processes, has resulted in the majority of illegal sports betting transactions now occurring online.

3.3. According to HKJC, the illegal basketball betting has grown at an alarming rate that makes it one of the most popular forms of sports betting after football and horse race betting. HKJC reported that around 100 000 to 150 000 Hong Kong bettors bet illegally on basketball in 2023, representing a 68% year-on-year increase. The estimated annual illegal betting turnover recorded ranged from \$32 billion to \$34 billion. That said, with the advancement of technology which has rendered illegal online gambling platforms more accessible to the general public, according to the latest information provided by HKJC, the number of illegal basketball bettors soared by 186% in 2024, with around 430 000 Hong Kong residents having betted illegally on basketball in 2024. The illegal market turnover for basketball betting in 2024 was estimated to be around \$70 billion to \$90 billion, representing a 119% to 165% surge.

3.4. Regarding the willingness of illegal bettors to transition to legal platforms, HKJC noted that 49% of illegal basketball bettors would switch their bets to HKJC if basketball betting were offered by HKJC legally, according to the latest research conducted by Oxford Economics³.

² To evade detection by authorities, illegal operators operate a large number of “mirror websites” which allow them to migrate customers seamlessly if one site is blocked.

³ A leading global economic advisory firm.

3.5. As explained in Chapter 2, HKPF has consistently monitored illegal gambling trends and conducted targeted, intelligence-led operations to combat these activities. However, the rapid digitisation of illegal gambling, including basketball betting and its associated transaction systems, has significantly complicated HKPF's enforcement efforts. The technological advancement and relatively low financial costs of creating and migrating illegal gambling websites across servers and domains have rendered website-blocking measures largely ineffective. Additionally, the use of micro-transactions facilitated by digital banking and stored-value tools has increased the covert nature of these operations. Further challenges arise from criminals leveraging Virtual Private Networks (VPNs) and cryptocurrencies, which anonymise activities and transactions, and hinder law enforcement tracking. These difficulties mirror the global challenges faced by law enforcement agencies in combating crimes of similar nature.

3.6. Against such backdrop, a timely policy intervention to regulate basketball betting is considered necessary.

Chapter 4: Proposed Regulatory Regime on Basketball Betting

Authorisation of Basketball Betting

4.1. The Government proposes to regulate basketball betting through a comprehensive framework that addresses illegal basketball betting activities with safeguards to protect public interests by making reference to the existing regime on regulating football betting. The proposal involves amendments to the **BDO**, followed by the issuance of a licence to one operator to conduct basketball betting under conditions to be imposed by the Government. As explained in paragraph 2.5 above, having only one operator is the established practice so as not to stimulate betting demand and has been working well. With HKJC's successful experience in operating horse race betting and football betting, we will issue the basketball betting licence to HKJC if basketball betting is authorised. This proposed regulatory framework through legislative amendments and issuance of licence mirrors the existing regimes for horse race betting, football betting and Mark Six Lottery, ensuring consistency and effectiveness in policy monitoring and law enforcement.

Protection of Juveniles

4.2. The Government attaches great importance to preventing gambling-related problems, particularly among youth. At present, a number of conditions have been imposed under the licences of horse race betting, football betting and Mark Six Lottery issued to HKJC to require its adoption of measures to minimise the negative impact of gambling on the public, especially on young people. These conditions include that HKJC shall not accept bets from juveniles; shall not accept credit betting; shall display notices reminding the public of the seriousness of excessive gambling and provide information on the services available for those with gambling disorder; and shall not, in conducting any promotional activities, target juveniles, exaggerate the likelihood of winning or impliedly suggest that betting is a source of income.

4.3. These stringent legal and regulatory restraints will continue to be put in place in the proposed basketball betting regime.

Power to Authorise Basketball Betting by Licence

4.4. Mirroring the regulatory regime for football betting, we propose that the Secretary for Home and Youth Affairs be granted the power to issue a licence to the operator of basketball betting. This allows the Government to impose and modify licensing conditions as necessary, including enforcing sanctions for non-compliance with the licensing conditions. Such mechanism will also enable the Government to closely monitor the operator's implementation and operation of basketball betting, while allowing for the review and adjustment of gambling policies in response to evolving social circumstances.

4.5. In addition to setting a fixed duration on the licensing period, various licensing conditions will also be imposed modelling on the football betting regime. For instance, the licence will impose restrictions on the number of bet types and classes of competitions that the operator may offer during the prescribed licensing period. The operator is expected to make reference to a number of factors in deciding the bet types to be offered and the classes of competitions to be covered, including the prevailing trend of the illegal basketball betting market and integrity of the competitions. Similar to the football betting regime, the basketball betting operator will be required to submit the bet types and classes of competitions to the Government for agreement before the launch.

4.6. Furthermore, mirroring the football betting regime, betting on basketball matches involving Hong Kong teams irrespective of where the basketball matches take place, and matches that take places in Hong Kong regardless of whether Hong Kong teams are involved, will be prohibited unless prior approval is obtained from the Secretary for Home and Youth Affairs. This measure aims to protect the integrity of local basketball leagues and prevent the risk of match-fixing. This will also help promote a betting-free and healthy environment for the sport in Hong Kong.

Implications of the proposal

4.7. As elaborated in Chapter 2, the regulation of football betting since 2003 has generally been effective in channelising illegal betting demand to the legal channel. By modelling on the existing football betting regime, it is envisaged that the proposed regulatory regime for basketball betting will help combat the illegal basketball betting activities by channelising the illegal demand to the legal channel.

4.8. In addition, as explained in paragraph 4.1, the chance of stimulating betting demand by the proposal is expected to be limited since the Government will only issue one licence for the conduct of basketball betting.

4.9. Separately, by imposing the requirements on protection of juveniles as elaborated in paragraph 4.2 and having regard to the information provided by HKJC that the proportion of young bettors aged between 18 and 21 over the years remains steady, it is expected that the proposal will provide effective safeguards for young people. Indeed, according to HKJC, it has implemented stringent measures to prevent underage betting under its responsible gambling (“RG”) policy at present. For instance, it has imposed stringent access control at all of its Off-Course Betting Branches (“OCBBs”) and racecourses. Additionally, betting account registration must be completed with valid proof of age, and multiple verification steps are required for subsequent account access. Warning messages about underage and excessive gambling are prominently displayed at all OCBBs, on HKJC’s betting websites, and in betting-related marketing materials. Should HKJC be authorised to conduct basketball betting under the proposed regulatory regime, HKJC is expected to continue to strengthen its efforts in promoting RG.

Chapter 5: Way Forward

5.1. The proposed regulation of basketball betting aims to tackle illegal basketball gambling activities by channelling illegal betting behaviours into a controlled and regulated environment, building on the success of previous initiatives. Notwithstanding that, the Government will continue to adopt **the multi-pronged strategy** to address gambling-related issues, combining regulation over gambling activities through legislation, law enforcement against illegal gambling, public education and publicity on harms of gambling addiction, and provision of counselling and support services to people in need.

5.2. Public feedback gathered through this consultation will play a vital role in shaping the final policy, ensuring that it aligns with societal values and addresses the concerns of all stakeholders. Subject to the consultation outcome, if it is decided to implement the proposed regulatory regime for basketball betting, the Government will work closely with HKJC, HKPF, PWFAC and other stakeholders to ensure its effective implementation. In particular, the Government will request HKJC to further increase the donation to the PWF for stepping up public education programmes, as well as counselling and support services. The Government will also request HKJC to step up their RG measures, particularly on bolstering youth education.

Regulatory Regime on Basketball Betting Consultation Document

On the proposal to regulate basketball betting activities, my / the Organisation's comments are as follows:

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Name _____ :

Representing organisation (if applicable) : _____

Contact no. / email address : _____

Date : _____

Signature : _____

Note: Please read the Personal Data Collection Statement on the next page.

Personal Data Collection Statement

It is voluntary for any members of the public to provide his/her personal data as requested in this submission form. Any personal data provided will only be used by the Home and Youth Affairs Bureau for the purpose of understanding the views of members of the public on the proposal. If necessary, the submission and personal data collected may be transferred to other relevant Government bureaux or departments for the purpose of handling the proposal.

The written submissions received may be published to the media and the public. **If you do not wish your name / your representing organisation's name and / or your views to be disclosed, please specify in your submission.**

For access to or correction of personal data contained in your submission, please contact the Home and Youth Affairs Bureau in writing.

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Home and Youth Affairs Bureau
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