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Gaming Industry Monitoring Brief
 Singapore, Malaysia and Macau
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SINGAPORE

Client-specific updates

No updates relating to foreign casinos, travel of Singaporeans to overseas casinos or detention of casino staff in April 2020.

General industry news

Singapore's casinos extend shutdown to 1 June, in line with Government's latest COVID-19 measures

Singapore's two casino resorts, Resorts World Sentosa and Marina Bay Sands, have confirmed that they will remain closed until 1 June. The closures are in line with the Government's latest extension of closures for non-essential businesses, originally due to end on 4 May, but extended until 1 June. It is unclear yet if the shutdown will be extended again and if so, if casinos will be allowed to be reopened. Minister of Trade and Industry Chan Chun Sing said on 3 May that not all businesses will be able to reopen immediately after the circuit breaker ends. "When deciding which firms and sectors should resume operations first, we will consider factors such as their importance to the economy, contribution to local employment and ability to minimize risks of transmission at their worksites," Minister Chan explained.

Comment: Casino operations in Singapore are likely to be impacted even after the pandemic ends as the Government and experts have repeatedly cautioned that social distancing and other precautionary measures guarding against the resurgence of COVID-19 will remain in place even as businesses start returning to normal in the coming months.

- [PM Lee's address on the COVID-19 situation in Singapore, gov.sg, 21 April 2020](#)
- [Singapore casino resorts confirm shutdown extends to 1 June, CGRAsia, 22 April 2020](#)

Gamblers turn to bet on COVID-19 as legal gambling operations in city shut down

Illegal gambling websites are targeting punters in Singapore and other countries by offering the option of betting on the daily number of COVID-19 cases. It is reported that the betting options on COVID-19 cases surfaced after the suspension of legal betting outlets – casinos, Singapore Pools and Singapore Turf Club - in Singapore. The Singapore Police noted that it is aware of the illegal betting activities relating to COVID-19, stressing that online betting contravenes the Remote Gambling Act. A police spokesperson said the police takes a serious view of all forms of illegal remote gambling and will take tough enforcement action against offenders.

Comment: Several reports noted that the suspension of legal gaming operators in the city has resulted in a buildup of pent-up gambling demand from regular gamblers who are turning to illegal means of gambling. Authorities in Singapore continue to keep abreast of the gambling situation in the city and are likely to consider measures to keep the current situation in check. We also expect authorities in Singapore will be studying the situation when legal gambling operators resume operations in the coming months.

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- [Illegal gambling sites lure punters with bets on new Covid-19 cases in S'pore, Malaysia, Thailand, The Straits Times, 16 April 2020](#)

MALAYSIA

Client-specific updates

No updates relating to foreign casinos, travel of Malaysians to overseas casinos or detention of casino staff in April 2020.

The enforcement activities conducted by the Malaysian police authorities remained active throughout April 2020, with heightened media coverage of these activities during the controlled-order period.

General industry news

Malaysia eases control order, enters Conditional MCO

Starting 4 May, the Malaysia Government has allowed a majority of businesses to resume operations after Prime Minister Muhyiddin Yassin announced the Conditional Movement Control Order (CMCO). Various economic and social activities are allowed, subject to the conditions and standard operating procedures which have been set by the Government. Malaysia has not reopened its borders and inter-state travel for the upcoming Hari Raya celebration will also be prohibited.

The National Security Council listed activities that are not allowed despite the CMCO. Based on a note published by the Council, cruise ships and activities involving over 10 people are still not allowed after the relaxations on the Movement Control Order (MCO).

In addition, number forecast operators (NFOs) have been directed to keep their operations closed until further notice. The Government denies having given approval to these number forecast operators to resume operations on 6 May as circulated on social media. The turf club in Sandakan, Sabah will also be closed until further notice from Finance Ministry.

Comment: The formal introduction social distancing by the Government will limit the overall capacity of casinos especially in the mass and premium mass gaming areas. Gambling industry players have been forced to downsize their operations amid lockdowns imposed by countries worldwide.

- [List of business not allowed to reopen on Monday, The Edge Market, 1 May 2020](#)
- [Sports Toto, STC not opening May 6, The Borneo Post, 5 May 2020](#)

Online gambling rampant since MCO

Inspector-General of Royal Malaysian Police said the online gambling has become rampant since Malaysia went into partial lockdown under the MCO. Online gambling has become widespread, with scammers taking advantage of the MCO to lure those at home into making bets.

Separately, the Government through Malaysian Communications and Multimedia Commission (MCMC) has carried out over 200 raids related to online gambling activities during the MCO. MCMC views this issue seriously and has been collaborating with the Royal Malaysia Police to detect such activities and detain those involved.

Comment: The newly minted Deputy Minister of Communications and Multimedia under the Perikatan Nasional (PN) Government indicated the possibility of gaming website registration and taxation as the Government faces tax windfall due to the economic repercussions of COVID-19. Since 2015, the Government has long promised legislation that would provide a regulatory structure to cover online gambling. The conservative PN Government may see more stringent regulatory

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enforcement and a stronger stance on gambling as its coalition members from the Islamic Party have condemned gambling in the country in the past.

- [Online gambling rampant since MCO began, Free Malaysia Today, 6 April 2020](#)
- [MCMC carries out over 200 raids to combat online gambling, The Sun Daily, 30 April 2020](#)

Enforcement activities step up to curb online gambling

In multiple, separate operations across the nation, the Malaysian Police have arrested hundreds of Chinese nationals for gambling offenses, also seizing numerous numbers of mobile phones, laptops, desktops, ATM cards and prepaid cards. The gambling activities were allegedly targeting victims in China via social media applications and utilized the Renminbi currency. The suspects were remanded for 14 days under the Immigration Act 1959 and 1963 for abusing their social visit passes; the Common Gaming Houses Act 1953 and Anti- Money Laundering Act 2001 for further investigation.

Comment: The increasing enforcement activities by the Malaysian Police indicate stronger focus and commitment to curbing these illegal gambling syndicates. This aligns with the ongoing review of regulations, with stronger regulatory oversight and heavier restrictions expected to be introduced. The multiple arrests of Chinese nationals suggest that countries such as Malaysia are aligning themselves to the broader push by the Chinese government to eradicate gambling amongst its citizens. China's crackdown on illegal gambling has spread to countries in Southeast Asia, whose gaming establishments targets a large portion of the Chinese gamblers.

In addition, the intensified clampdown on illegal numbers forecast operators' (NFOs) is said to be a catalyst for the local NFOs sector. However, potential prolonged COVID-19 pandemic could lead to weaker consumer sentiments and an erosion of NFOs' earnings, and an increased gaming tax and betting duty by the government could be another key risk to NFOs.

- [Penang cops nab online gambling group operating during MCO, 28 April 2020](#)
- [Police arrest 30 Chinese nationals in illegal online gambling raid, New Straits Times, 29 April 2020](#)

MACAU

Client-specific updates

Macau's Melco sells Crown stake

Macau's Melco Resorts, owned by billionaire Lawrence Ho, has sold its 10 percent stake in Crown Resorts to investment giant Blackstone for US\$552 million amid the global economic downturn triggered by the COVID-19 outbreak. Mr. Ho had originally said he was steadily increasing his stake in Crown and some analysts believed Melco might eventually make a full takeover offer. Melco was also at the center of an NSW Government independent inquiry into Crown and its broader business, which has been put on hold indefinitely due to the COVID-19 disruption.

- [Ho sells Crown stake as virus smashes Macau, Australian Financial Review, 29 April 2020](#)

General industry news

Chief Executive Ho Iat Seng's 2020 Policy Address

Macau's Chief Executive Ho Iat Seng on 20 April delivered his 2020 Policy Address to the Legislative Assembly. In his address, CE Ho said the current COVID-19 situation had "fully exposed the vulnerability and huge risks of Macau economy's over

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reliance on gaming tourism". The CE added that while previous governments had made efforts to promote diversified economic development over the years, results had "not been obvious". He stated that the COVID-19 epidemic has once again exposed problems and risks of Macau's economic structure and far more needs to be done to diversify in order for Macau to maintain economic stability.

Speaking on his plans for the gambling sector in the city, CE Ho said he will continue to push the city's casino operators to focus on mass market development and improve their non-gaming operations, while tightening the regulation of junkets.

Comment: The policy objective of reducing the city's dependence on its gaming sector remains a key public interest. The COVID-19 pandemic is likely to accelerate policy developments with regard to the gaming sector in the city, especially in the area of developing non-gaming sectors to support economic diversification.

- [Few details on re-tendering process for Macau casino operators until 2021 as Chief Executive pushes mass market development in maiden policy address, InsideAsiaGaming, 20 April 2020](#)
- [Ho rules out tax cut for casino operators, Macau News, 21 April 2020](#)
- [Macau's leader warns of over reliance on gaming industry in wake of COVID-19, cna, 20 April 2020](#)

No tax cuts planned for casino operators amid COVID-19

Macau's Chief Executive Ho Iat Seng on 21 April said that Government has no intention of changing the current taxation structure for casinos and other gaming activities to help to gaming operators, which are suffering record losses due to the COVID-19 pandemic. CE Ho also noted that "the gaming concessionaires are capable and have enough money to continue to run their businesses".

Comment: Recent statements indicate that the Government is refraining from supporting casino operators amid the economic downturn brought on by COVID-19. While the Macau government has announced more than 50 billion patacas (US\$6.27 million) in relief measures to help prop up sectors hardly hit by the COVID-19 pandemic, the Government so far has not issued any specific relief measures for the gaming sector.

- [Gov't rules out possibility of gaming tax reduction, Macau Business, 20 April 2020](#)

Timeline on amending Macau's existing gaming law

Chief Executive Ho on 21 April said that the Government aimed to launch a public consultation on amendments to the city's current gaming industry law in the second half of the year, noting that the drafting of the public consultation document has been delayed for several months due to the COVID-19 pandemic.

Responding to a question in the Legislative Assembly session on 27 April if there was enough time available to complete such a legal review before mid-2022, Secretary for Economy and Finance Lei Wai Nong said the Government could not yet provide a time frame for the revision of the existing gaming law and for a retender process. Mr. Lei also noted that Macau was now at a "different level" of public policy development on gaming, with the city now requiring operators to commit to non-gaming elements beyond dining and shopping, on corporate social responsibility and in terms of them helping local small and medium-sized enterprises.

Some analysts have commented that it will not be surprising to see the casino rights retender process "postponed by a year or so versus the current expiry of June 2022". Macau's existing gaming law includes the option of extending beyond June 2022 – up to a maximum of five years – the present gaming permits of the current operators.

Comment: Latest comments from Government officials reinforced the observation that gaming operators in the city will be increasingly called upon to fulfil their social responsibility protecting the rights and interests of the wider community of the city. We expect that the Government, in reviewing the casino licenses will take into consideration the role the casino operators are willing and able to play in serving the social interests of the city. These will include their willingness to undertake commitments on non-gaming elements beyond dining and shopping, on corporate social responsibility and in terms of them helping local small

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and medium-sized enterprises. In the same vein, we expect that other gaming activity entities, apart from casinos, will be increasingly held to the same standards to be allowed to continue to operate in the city as well.

- [Policy address | Lawmakers hone in on economic relief measures and plan for casino concessions, Macau Daily Times, 28 April 2020](#)