

**GAMING LAW  
PUBLIC CONSULTATION**

**AMENDMENT TO MACAU'S GAMING LAW**

# **LAW 16/2001**

律師事務所



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**T**he Macau government has just launched a public consultation on a proposed amendment to the current gaming law, ahead of Macau's existing three gaming concessions (SJM, Wynn and Galaxy) and three sub-concessions (Sands, MGM and Melco) due to expire in coming June. From September 15 to October 29, private citizens and industry stakeholders can voice their opinions regarding the proposed amendments to the law. After a first analysis of the consultation document, we're breaking down below the main points for your convenience.

The current gaming law came into force in 2001, stipulating that a maximum of three gaming concessions were granted - having been awarded to SJM, Wynn and Galaxy in 2002. Later that year, the government allowed Galaxy to amend its concession contract to set up a sub-concession with Sands. SJM and Wynn followed suit, signing their sub-concession contracts in 2005 and 2006 with MGM and Melco, respectively.

Despite the original requirement in the law that a maximum of three gaming concessions is allowed, the Macao government has admitted that the sector has six operators. The proposed amendment now aims to review the number of concessions and expressly stipulates the prohibition of sub-concessions.

With the amendment of Law 16/2001, the government aims to improve the definition of the sector's development and direction, strengthen supervision mechanisms, and define non-gaming projects within the concessions.







The document going on public consultation covers nine main points:

1. A review on the number of gaming concessions to be granted, not referencing a maximum number to be awarded in the future, including an explicit projected ban on gaming sub-concessions. However, concessions should maintain a size enough to ensure the government's revenues from direct gaming tax.

2. A review on the length of the concessions: a gaming concession usually cannot exceed 20 years according to the current gaming law, with extensions allowed for a maximum of five years under exceptional circumstances.
3. Increase of the legal requirements concerning the supervision of the concessions, including increasing the concessions' capital (currently set at minimum 200 million MOP), the share capital of the managing director (who must be a permanent resident with a minimum share presently set at 10%), and stipulations on profit distribution.
4. More employee protection measures, such as in-service training, professional advancement of local workers, and guaranteeing their welfare system.
5. Strengthened verification mechanisms for the concessions and junket operators.
6. The introduction of designated government representatives in the operators' management teams to strengthen the supervision of their operations.
7. Promotion of more non-gaming projects aligned with Macau's role in the Greater Bay Area as a "World Tourism and Leisure Centre".
8. Specific social corporate responsibility regulations, including providing support for the development of SME and local industries, ensuring labour rights, hiring disabled or rehabilitated individuals, providing support for philanthropic actions, and supporting education and science.
9. Two new criminal offences are being proposed in situations of illegal deposits and preventing government inspectors from accessing the gaming premises. Additionally, the amendment intends to reinforce the responsibility related to administrative infractions.

The potential extension of current gaming concessions and sub-concessions has not been announced yet. C&C's gaming team will be closely following the developments of this proposed amendment in order to be able to provide its clients with further information on the subject.

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