

Managing the Sin in Singapore's Casinos

Introduction: A different response to a controversial proposition

In 2004, then-Minister for Trade and Industry George Yeo mooted the idea of legalising casino gambling and developing a casino on Sentosa, an island south of the main island of Singapore.¹ At first glance, a casino in conservative, straight-laced Singapore may seem a radical and incongruous proposition. In reality, this proposal to introduce local casinos to boost tourism, generate economic growth and create new jobs has had repeated airings since the early days of Singapore's independence,

But even when faced with the temptation of additional tourist dollars as well as the spectre of economic slow-down at each juncture, Singapore's leaders were resolute in turning down each proposal with firm declarations of no support, on the premise that the social fallout from casinos would outweigh any economic benefits. (See **Annex 1** for further details)

In 2004 however, the official response was markedly different. In his first ever National Day Rally speech the same year, Prime Minister Lee Hsien Loong suggested that the government "shouldn't just say, 'No'. I think we should consider – can we have the casino and still contain the social problems? Let's study it. Let's see if there's some way to do it."²

The government's new openness to casinos sparked off an unusually energetic public response, and generated much media coverage locally and internationally. Public opinion seemed evenly split between those who supported the idea and those passionately against it.³

The first half of this case examines the debate for and against the legalisation of casino gambling in Singapore, while the second half explores the decision taken, the impacts of the decision, and concludes with two simple questions for discussion: "Was the right decision taken?" and "What more should be done to curb the social costs of casino gambling?"

Part One: Deciding yes or no

To facilitate the study of the feasibility of having casinos in Singapore, a Request for Concept (RFC) was issued in late 2004, to solicit concept proposals from interested bidders. Two possible sites were mooted—one in Marina Bay, a new green-field area that would be Singapore's new business district; and the other in the tourism island of Sentosa. The RFC outlined government objectives and restrictions that would be imposed on the projects, including an admission fee for

¹ Derek da Cunha, *Singapore Places Its Bets*, Straits Times Press Reference, 2010, 21

² Prime Minister Lee Hsien Loong's National Day Rally 2004 Speech, Sunday 22 August 2004, At The University Cultural Centre, NUS, http://www.getforme.com/pressreleases/leehl_220804_nationaldayrally2004.htm (cited July 16 2014)

³ Joan C. Henderson, "Managing the Planning and Development of new visitor attractions: A Singapore Model", *Managing Leisure*, 12:1, 24-42, May 2 2007

This case was written by Tan Shin Bin under the guidance of Donald Low, Lee Kuan Yew School of Public Policy (LKY School), National University of Singapore and has been funded by the LKY School. The case does not reflect the views of the sponsoring organisation nor is it intended to suggest correct or incorrect handling of the situation depicted. The case is not intended to serve as a primary source of data and is meant solely for class discussion.

local residents as well as other measures aimed at limiting problem gambling.⁴ The concept proposals received would provide policy makers with a clearer idea of what a financially feasible final product would be, and facilitate a quantification of economic benefits versus social costs.

At the same time, the government launched a public consultation exercise. Over 700 letters, emails and faxes were received, while polls, surveys and dialogue sessions were conducted. A survey of 903 Singaporeans to assess the public's sentiments towards the casino issue revealed that, while almost half of the respondents agreed operating a casino would contribute to Singapore's economic and tourism development, many disagreed that the benefits of setting up a casino outweighed the social costs.⁵

Given the controversial and divisive nature of the proposal, some felt that mere public consultation was insufficient, and instead called for a national referendum on the issue, to determine definitively where Singaporeans stood on the issue, as well as give them a clear say in the final decision. Opposition party leader Low Thia Khiang argued that “whilst the Government has allowed people to discuss and encourage people to debate on the casino issue, at the end of the day, there must be some avenue enabling the people to express whether they are for or against it [...] I would like to tell the Minister: let the people have a chance to vote and to decide on what they really want for society and for the future.”⁶ Similarly, Nominated MP Loo Choon Yong suggested that by 'submitting this issue to a binding referendum, the Government can also demonstrate that it really means to have a public debate and that people's views matter.’⁷

Prime Minister Lee rejected these suggestions, arguing that, “the Government cannot govern by referendum. The casino is not an issue of national survival or sovereignty that deserves to be settled by a referendum, as Dr Loo Choon Yong suggested. Nor is it an issue of conscience or fundamental principle like abortion or organ transplantation, because we already have many forms of legal gambling in Singapore. [...] It is a policy matter - whether to allow an additional outlet for gambling, and to weigh the pros and cons to decide whether the economic benefit to Singapore of doing so outweighs the social costs.”⁸

Arguments for the casinos

Tourism and other economic spinoffs

By and large, supporters of the casinos cited various economic benefits of having casinos in Singapore. The casinos were seen as a way to boost **tourism and job creation** at a time when policy makers were concerned that Singapore was losing its share of the East Asia tourism market.⁹ To arrest this decline, policy makers proposed a new tourism concept: the Integrated Resort (IR). An IR would include attractions and amenities like convention facilities, restaurants, shops, theatres and other tourist destinations (e.g. theme park, aquarium), while the gaming component was framed

⁴Steven Mihailovich, “Casino operators grasp Singapore concept”, *Las Vegas Business Press*, January 3 2005.

⁵“Public Consultation on Integrated Resort”, Southern Shores of Singapore, <http://www.wildsingapore.com/sos/saynov.htm> (cited Jul 16 2014)

⁶Parliament of Singapore “Head V - Ministry Of Trade And Industry” March 8 2005 http://sprs.parl.gov.sg/search/topic.jsp?currentTopicID=00001026-WA¤tPubID=00004693-WA&topicKey=00004693-WA.00001026-WA_1%2B%2B

⁷ Azhar Ghani, “MPs: Put the casino issue to the vote” *The Straits Times*, March 2 2005.

⁸ Parliament of Singapore “Debate On Annual Budget Statement, Debate On Annual Budget Statement” March 2 2005, http://sprs.parl.gov.sg/search/topic.jsp?currentTopicID=00001527-WA¤tPubID=00004689-WA&topicKey=00004689-WA.00001527-WA_1%2B%2B

⁹ William Albert Swafford “Estimating the Economic Effects of Legalized Casino Gambling in Singapore”, Masters Thesis for University of Nevada, August 2005

as a limited but essential part that helps to make the entire IR project financially feasible without the need for government grants or subsidies.¹⁰

According to initial government estimates, the two proposed IRs were expected to raise Singapore's annual gross domestic product by S\$1.5 billion (or about 0.5% of GDP by 2012 estimates), and create about 35,000 jobs, including spinoffs in the rest of the economy.¹¹ Politicians who threw their weight behind the IR proposal repeatedly cited these estimates, even as they expressed their concerns. Minister Lim Boon Heng shared “I wish we can have integrated resorts without casinos. Casinos come with social costs, and there will be some broken families. But there are also social costs with high unemployment. There are 35,000 jobs to be had [...] So this is not an easy decision, but when there are 35,000 jobs, I cannot say no.”¹²

Image Revitalisation

According to proponents, the introduction of IRs (including its casinos) would help **Singapore shed its conservative image** and in so doing, remain globally relevant and competitive. In 2005, as part of his push for the IRs, Prime Minister Lee argued that “We want Singapore to have the X-factor – the buzz that you get in London, Paris or New York,” He added, “If we become a backwater, just one of many ordinary cities in Asia, instead of being a cosmopolitan hub of the region, then many good jobs will be lost and all Singaporeans will suffer. We cannot afford that.”¹³

Keep Gambling Revenues Local

Another objective cited by the government was that travelled abroad to gamble, with an outflow estimated to be between \$1 billion and \$2 billion in 2004.¹⁴ (See **Exhibit 1**.¹⁵) Furthermore, a perceived regional shift towards the legalisation of casinos in countries such as Thailand made the threat of further outflows seem more likely.¹⁶ Proponents of casinos in Singapore thus argued that it was only pragmatic to keep these gambling dollars locally, where they would be channeled back into the local economy, rather than allow them to flow overseas. Member of Parliament Inderjit Singh opined that “[I]f Singapore gives up the IR plans, the same plans will emerge somewhere else nearby[...]If our people are going to have access to the casinos anyway, why not have them at home, where we can control things, where we can put in place the safeguards and where we can also gain economically? Why let others make that money?”

Exhibit 1: Gaming Expenditure of Singaporeans in other markets

Gaming Market	Gaming Expenditure	% of Market
Malaysia	S\$180 million	30%
Cruise	S\$400 million	27%
Indonesia (Illegal)	S\$140 million	35%
Philippines	S\$25 million	7%-8%
Australia	S\$62 million	3.5%-4%
Macau	S\$35 million	1%
Other (Legal)	S\$53 million	n.a.

Source: ABN AMRO & the Innovation Group (2004).

Arguments against Casinos

On the other side of the debate, voices were raised in loud opposition to government’s proposal to legalise casinos. Members of Parliament from opposition and ruling parties alike made emotionally

¹⁰ Parliament of Singapore, “Proposal To Develop Integrated Resorts (Statement by the Prime Minister and Minister for Finance)” 18 April 2005, http://sprs.parl.gov.sg/search/topic.jsp?currentTopicID=00001088-WA¤tPubID=00004697-WA&topicKey=00004697-WA.00001088-WA_1%2B%2B (cited June 16 2014)

¹¹ Kevin Lim, Cris Prystay, “Singapore Places Bet on Casinos” *The Wall Street Journal*, April 19 2005, <http://online.wsj.com/news/articles/SB111381530971809372> (cited June 14 2014)

¹² Parliament of Singapore, “Proposal To Develop Integrated Resorts (Statement by the Prime Minister and Minister for Finance)” 19 April 2005, http://sprs.parl.gov.sg/search/topic.jsp?currentTopicID=00001104-WA¤tPubID=00004698-WA&topicKey=00004698-WA.00001104-WA_1%2B%2B, (cited June 16 2014)

¹³ Parliament of Singapore, “Proposal To Develop Integrated Resorts (Statement by the Prime Minister and Minister for Finance)” 18 April 2005

¹⁴ Derek Da Cunha, 54

¹⁵ Cited by William Albert Swafford, 16

¹⁶ William Albert Swafford

charged appeals against the proposal, while religious bodies like the National Council of Churches in Singapore, MUIS (the Islamic Religious Council of Singapore”, Pergas (The Singapore Islamic Scholar and Religious Teachers Association”) lobbied against the casinos.¹⁷ Established social groups like AWARE¹⁸ joined in the fray, while new, impromptu groups formed to protest against the proposal. "Families Against the Casino Threat in Singapore"¹⁹ (FACTS) distributed bumper stickers reading "Casi-NO"²⁰, and garnered more than 30,000 signatures in an online petition against the establishment of casinos²¹ -- a large number that some interpreted as a unusually bold display from a population that was usually passive and acquiescent to government policies.^{22 23}

A more problematic form of gambling

The loud opposition to casinos may seem surprising to any casual observer, given the prevalence and popularity of various other gambling activities in Singapore. According to a 2005 survey, 58% of Singapore residents aged 18 and above reported that they had participated in at least one form of gambling activity over the last 12 months. (See **Annex 2** for an overview of gambling in Singapore). The degree of opposition to casinos thus indicated differences in perceptions of casino gambling compared with other more accepted forms of gambling.

For instance, many Singaporeans considered placing bets on lotteries, other number games and social gambling like mahjong a leisure pastime,²⁴ and typically only placed moderate bets. They thus faced relatively low risks of large losses, unlike gambling in a casino. Furthermore, sports betting on football games and horse-racing were seen to be catering to a narrower group of people. The negative impacts of such forms of gambling were thus perceived to be more contained.²⁵

In contrast, Singaporeans viewed casino table games and jackpot machines not so much as leisure activities, but as gambling activities.²⁶ Furthermore, casino games and casino environments were deliberately designed to encourage players to gamble more, and lose self-control over their decisions.²⁷ Because of the addictive nature of the casino gambling, opponents of the IRs argued that casinos would increase the number of problem and pathological gamblers, which in turn creates a host of problems.

Problem gambling has been shown to inflict negative impact on families, as increased mental, emotional and financial strain is often created by gambling losses. Particularly in an Asian society, the extended family is often mobilised to bear the burden of the problem gambler, because of a strong ethic for collective responsibility. The negative impact of a problem gambler is thus

¹⁷ Derek da Cunha, 54

¹⁸ AWARE, "Special report on the casino proposal", April 05 2005, http://www.aware.org.sg/wp-content/uploads/Casino_Paper.pdf (cited May 30 2014)

¹⁹ Jason Szep "Family death stirs up casino debate in Singapore", *Reuters*, March 20 2005, <http://www.singapore-window.org/sw05/050320re.htm>

²⁰ "Dicing with Vice" *The Economist*, April 21 2005, <http://www.economist.com/node/3899152> (cited July 29 2014)

²¹ Jasmin Yin, "Anti-casino drive grows", *Today*, 5 January 2005.

²² "Dicing with Vice" *The Economist*

²³ Sebastian Berger, "Singapore pushes through plan to open first casinos" *The Telegraph*, April 19 2005, <http://www.telegraph.co.uk/news/worldnews/asia/singapore/1488196/Singapore-pushes-through-plan-to-open-first-casinos.html>

²⁴ "Survey On The Perceptions & Attitudes Towards Gambling Issues In Singapore" *National Council on Problem Gambling*, Sept 2006, http://app.msf.gov.sg/Portals/0/Summary/research/NCPG_PE_Baseline_Survey_Report.pdf (cited July 16 2014)

²⁵ Derek da Cunha

²⁶ "Survey On The Perceptions & Attitudes Towards Gambling Issues In Singapore" *National Council on Problem Gambling*, Sept 2006, http://app.msf.gov.sg/Portals/0/Summary/research/NCPG_PE_Baseline_Survey_Report.pdf

²⁷ Carl G. Bechtold, "Tide of gambling yields backwash of addiction" 21 Aug 2004, <http://stoppredatorygambling.org/wp-content/uploads/2012/12/Carl-Bechtold-Addiction-Study.pdf> (cited June 18, 2014)

amplified in this context.²⁸

During the 2005 debates, Nominated MP Dr Tan Sze Wee expressed his objections to the IR proposal by citing studies that linked problem gambling with domestic violence. He concluded with an impassioned question, “Is one family worth sacrificing for the projected boost to the economy? How many more broken families or the untimely deaths of the innocent little ones before we realise the consequences?”²⁹

Critics also argued that addicted gamblers could experience decreased work productivity, and were also more prone to turn to loan-sharks to finance their debt. Increased loan-shark activities would affect not only debtors, but also the well-being of neighbours (e.g. through vandalism in common areas, noise, etc.), and unfortunate house owners who may have inherited the previous owner’s harassment problems.³⁰

Those who fall into debt were also seen as more likely to commit criminal breach of trust. An infamous example of a gambler doing so, often cited by those against the IRs, was Chia Teck Leng, finance director at Asia Pacific Breweries, who used forged documents to defraud four banks of \$117 million, in order to fund his high-rolling expenditure in casinos.³¹

A 1997 study attempted to quantify these costs, estimating over 9000 USD for each problematic gambler (see **Exhibit 2**³²) While this estimate has been disputed both for being overly conservative, as well as for inflating the actual social costs of gambling with internalised costs and transfers, it nevertheless remains a much quoted benchmark for the social costs of gambling.³³

On the other hand, there were others who disputed the link between introduction of casinos with increase in problem or pathological gambling. In a letter to the Straits Times, the director of the National Responsible Gambling Programme in South Africa argued that “Our research [...] confirms what has been found in several jurisdictions in North America and New Zealand. We found that problem-gambling numbers do not increase, and may even decrease if the introduction of casinos is accompanied by the provision of substantial services to prevent problem gambling. These include a vigorous public-awareness programme about the dangers of gam

TABLE 2. SUMMARY OF ANNUAL SOCIETAL COSTS OF ONE COMPULSIVE GAMBLER (\$)

Employment		2941
Lost work hours	1328	
Unemployment Compensation	214	
Lost productivity/unemployment	1398	
Bad debts		1487
Civil court		848
Bankruptcy court	334	
Other civil court	514	
Criminal justice		3498
Thefts	1733	
Arrests	48	
Trials	369	
Probation	186	
Incarceration	1162	
Therapy		361
Welfare		334
Aid to Dependent Children	233	
Food stamps	101	
Total		9,469

Exhibit 2: Estimated societal costs of one compulsive gambler

Furthermore, some argued that only a small proportion of the local population was prone to become problem gamblers. A 2005 MCYS study estimated that 2.1% of the Singapore population may be at

²⁸ Mathew Mathews and Rachel Volbeg, “Impact of problem gambling on financial, emotional and social well-being of Singaporean families” *International Gambling Studies*, Oct 31 2012.

²⁹ Parliament of Singapore, “Proposal To Develop Integrated Resorts (Statement by the Prime Minister and Minister for Finance)” 19 April 2005

³⁰ Examples of stories of harassment: <http://sgforums.com/forums/10/topics/250628>

³¹ Cited in Derek da Cunha, 82. Original source: Nureza Ahmad, “Longest jail term for the worst case of commercial fraud in Singapore”, 5 April 2005, http://eresources.nlb.gov.sg/infopedia/articles/SIP_422_2005-01-25.html

³² William N. Thompson, Ricardo Gazel, and Dan Rickman, “Social and Legal Costs of Compulsive Gambling”, *Gaming Law Review*, Volume 1, Number 1, 1997, <http://walkerd.people.cofc.edu/360/AcademicArticles/ThompsonGazelRickman1997.pdf> (cited 29 May 2014)

³³ Douglas M. Walker, “The social costs of gambling”, *The Economics of Casino Gambling*, Springer Berlin Heidelberg New York 2007, 85-111

³⁴ Peter Collins, “Gambling-Linked woes won’t grow with casinos”, *The Straits Times*, May 5 2005.

risk for addiction³⁵—a figure quoted by Minister for Community Development, Youth and Sports, Vivian Balakrishnan, during the 2005 parliamentary debate, to bolster his position that “[w]hilst many participate in gambling, the vast majority do not develop problems, and only a small minority is at risk.”³⁶

Increase in Criminality

The prevalence of compulsive gambling is often associated with higher crime rates in communities, as desperate gamblers may turn to crime to finance their debts. This was a concern mooted by opponents to the casinos in Singapore. More specifically, the threat of organised crime syndicates entering Singapore, and carrying activities like money laundering was cited as a major concern.³⁷

Some studies do show that increased crime accompanies the opening of a casino. For instance, three years after the introduction of casinos in Atlantic City, the total crime rate tripled, and per capita crime there jumped from 50th in the USA to 1st.³⁸ Another study that examined the impact of Indian casinos on crime using data from 1985 to 1998 for all counties in the United States found a significant increase in property crime four years after the opening of Indian casinos, and a positive and significant increase in violent crimes.³⁹

However other studies contradicted such a simple correlation. A study that examined the impact of legalised casino gambling on crime rates in the United States, based on county-level data from 1994 to 2005, concluded that an increase in crime was associated with casinos in some circumstances, but not others. Their findings also showed that the significant spike in crime following a casino opening evened out after five years, which implied that casinos’ impact on crime may be only transitory.⁴⁰

Scepticism over casinos’ contribution to economic growth

Other analysts expressed scepticism that the casinos could deliver the anticipated economic gains because they doubted the casinos could attract the number of foreign gamblers needed. Instead, Singapore could end up being a secondary gambling destination behind Macau.⁴¹

Furthermore, opponents of the gaming industry elsewhere have argued that the gambling industry merely cannibalises existing industries, by siphoning jobs and consumer dollars from other industries, rather than grow the overall economy.⁴²

A study of U.S. casinos, using 14 years of real casino revenue and per capita income from 11 states that had commercial casinos, observed that while the introduction of casinos might give an initial boost to economic growth, over the long term, there was no causal relationship between casino revenue and per capita income. The study’s researchers hypothesised that “the initial expansionary effect that casino gambling brings to a state’s consumption menu as a new good is simply dissipated through the state’s economy over time. That is, after an initial push to the state’s economy, the

³⁵ NCPG, “Latest Gambling Participation Survey: No Change In Gambling Participation And Problem Gambling Rates But More View Gambling As Leisure And More Gamblers Start Earlier” May 28 2008, http://www.ncpg.org.sg/en/pdf/PressReleases/28_may_2008_20080628_20090528.pdf (cited June 26 2014)

³⁶ Parliament of Singapore, “Proposal To Develop Integrated Resorts (Statement by the Prime Minister and Minister for Finance)” 19 April 2005

³⁷ “Mobsters and hookers unwelcome in Singapore” *Sydney Morning Herald*, Dec 27 2006, <http://www.smh.com.au/news/singapore/mobsters-and-hookers-unwelcome-in-singapore/2006/12/27/1166895340500.html> (cited June 20 2014)

³⁸ Carl G. Bectold, “Tide of Gambling Yields Backwash of Addiction”, The National Coalition Against Legalized Gambling, 21 August 2004, <http://stoppredatorygambling.org/wp-content/uploads/2012/12/Carl-Bechtold-Addiction-Study.pdf> (cited June 18, 2014)

³⁹ Mark W. Nichols Mehmet Serkan Tosun “The Impact of Legalized Casino Gambling on Crime” Discussion Paper No. 7299, The Institute for the Study of Labor, March 2013

⁴⁰ Ibid

⁴¹ John Burton, “Singapore gambles on casinos to revitalize its economy”. *Financial Times*, 19 April 2005.

⁴² Douglas M. Walker, “Casino gambling and economic growth”, *The Economics of Casino Gambling*, Springer Berlin Heidelberg New York 2007, 6-18

casino effect loses significance.”⁴³

Corrupt public morality and degrade the social fabric

Beyond increasing crime and problematic gambling, casinos were also seen as an insidious corrupting force that would degrade the moral fibre and social fabric of Singaporean society.

The National Council of Churches issued a statement that “casinos undermine virtues [...] Apart from jeopardising hard-work and social responsibility, a gambling culture, accentuated by the presence of a casino would signal that time-tested virtues shared by people of different faiths, such as honesty, compassion, prudence, integrity, neighbourly love, trustworthiness, and social justice, are no longer of primary concern to Singapore.”⁴⁴ Pastor Cheah Fook Meng from the Covenant Evangelical Reformed Church further cautioned that having casinos would “alter the way our future generation view moral issues and make ethical decisions. I fear that our future generation will choose material success over moral virtues. When this happens, we can expect our city to fall in the same way as the mighty Roman empire.”⁴⁵ Along a similar vein, critics elsewhere have argued that “casinos are ‘dual cities’ [that] elevate consumption and spectatorship at the expense of economic and social equality”⁴⁶

Case Questions to Part 1: You are a policy maker who has been tasked to assess the pros and cons of a casino. Please recommend a suitable approach, explaining your reasons and taking into consideration the following:

- How much public consultation is needed (e.g. need for public referendum, as in other cities like Penghu⁴⁷ or New York⁴⁸)?
- Are there other ways to achieve the objectives of boosting tourism and controlling the outflow of gambling dollars?
- Should policy makers have proceeded with allowing the casinos or should they stick to the status quo?
- If the former, what specific safeguards would you put in place, and why?

Part Two: Proceeding, with Caution

The Decision to Proceed

After evaluating the proposals submitted as part of the Request for Concept, the Singapore government decided to legalise casino gambling. On April 18 2005, it removed the ban on casino gambling and announced that up to two of the nineteen proposals that had been received would win licenses to construct integrated resorts. Each IR operator would be granted a 60-year tenure over the land and a concession to operate the casino for 30 years. A separate license to operate the casino had to be obtained from the government.

⁴³ Douglas M. Walker and John D Jackson, “Do Casinos Cause Economic Growth?” *American Journal of Economics and Sociology*, 07/2007, Volume 66, Issue 3

⁴⁴ National Council of Churches of Singapore, Official Statement, <http://info.nccs.org.sg/joom837/index.php/m-%20statements/16-s04> (cited May 20 2014)

⁴⁵ Covenant Evangelical Reformed Church, <http://www.cerc.org.sg/TractsEssays/CasinothefinaldebatePart4.pdf> (cited July 31 2014)

⁴⁶ John Hannigan, “Casino Cities” *Geography Compass* ¼ (2007): 969-975

⁴⁷ In 2009, residents of Penghu County, an offshore island under the jurisdiction of Taiwan, rejected the proposal of opening a casino there, through a local referendum. Source: “Penghu nixes Casino”, *The China Post*, Sept 27 2009 <http://www.chinapost.com.tw/taiwan/national/national-news/2009/09/27/226317/Penghu-nixes.htm>

⁴⁸ In Nov 2013, New York voters approved a constitutional amendment to expand casino gambling (of as many as seven full-scale casinos) in order to introduce jobs to economically distressed upstate regions, Source: Thomas Kaplan, “Expansion of Gambling in New York Is Approved”, *The New York Times*, Nov 5 2013, http://www.nytimes.com/2013/11/06/nyregion/referendum-to-expand-casino-gambling-in-new-york-is-approved.html?_r=0 (cited July 31 2014)

When addressing Parliament about the decision, PM Lee noted the debate's contentiousness,

I fully respect the convictions and teachings of the different religious groups. I also respect the religious choices and beliefs of individual Singaporeans. [...] But in a multi-racial, multi-religious society, the Government must maintain a secular and pragmatic approach. It cannot enforce the choices of one group on others, or make these choices the basis of national policy. To those who object to the IRs on religious grounds, no economic benefit justifies allowing a casino here. [...] But the Government has to balance the economic pluses against the social fallout and the intangible impact on values, and make this overall judgment whether to proceed. For the Government, the key consideration is what serves our national interest in the long term.

He added, "Now that the decision has been made we have to move on, close ranks and work to make the integrated resorts a success for Singapore"⁴⁹

Unsurprisingly, many expressed dismay over the decision. Opposition party leader, Low Thia Khiang likened the decision to a high-risk surgical operation, which was not critically needed, showed no definite long-term benefit, and had received no consent from the patient. He criticised the consultation process, stating that "Over the past one year, our people have been very active and vocal in giving their views on the opening of the casino in a so-called consultative exercise initiated by the Government. Now a full-stop has been inserted to end all the discussions. We should pause to reflect on this consultative exercise. Under the current situation, where a party is dominant and the civil society is very weak, the people cannot sway the Government's decision on such a matter that concerns the fate of the people"

Selecting Two Winners

In November 2005 and April 2006, two Request for Proposals (RFP) exercises were launched for the Marina Bay site and the Sentosa site respectively, after protracted internal reviews and negotiations with interested commercial organisations. Modifications to the RFP specifications were made after taking into account operator feedback, such as the removal of a proposed surcharge on gross gaming revenue that exceeded 50% of the total annual integrated resort revenue. This proposed surcharge, which was suggested in the earlier Request for Concepts (RFC) exercise, was intended to ensure that the integrated resorts would have a high component of non-gaming attractions for tourism. However, the surcharge was dropped after investors stressed that they would not be able to generate non-gaming revenue exceeding their gaming revenue for the IRs in the initial years of their operation.

When questioned in Parliament, Second Minister for Trade and Industry Vivian Balakrishnan defended the decision, saying, "imposing a surcharge in these circumstances will unnecessarily reduce the viability of the integrated resort project, or result in a lower level of development investment. Instead, the Government's intention that the integrated resort should be more than just a casino has already been made very clear to the investors. Proposals that do not have substantial non-gaming attractions will certainly lose out when we evaluate the tenders."⁵⁰

Indeed, the final RFP specifications included clear requirements for landmark public attractions and other public facilities, as well as restrictions on net gaming area and the number of gaming machines allowed—requirements that demonstrated the government's interest in ensuring that the IRs were more than mere casinos. (Annex 3 summarises the RFP specifications for the Marina Bay

⁴⁹ Parliament of Singapore, "Ministerial Statement: Proposal To Develop Integrated Resorts" 21 April 2005, http://sprs.parl.gov.sg/search/topic.jsp?currentTopicID=00001130-WA¤tPubID=00004700-WA&topicKey=00004700-WA.00001130-WA_1%2B%2B (cited June 14 2014)

⁵⁰ Parliament of Singapore, "Proposals For Integrated Resorts (Delay)" Oct 17 2005, http://sprs.parl.gov.sg/search/topic.jsp?currentTopicID=00001327-WA¤tPubID=00004707-WA&topicKey=00004707-WA.00001327-WA_1%2B%2B

site. RFP specifications for the Sentosa site are similar).

Proposals were also evaluated based on the criteria of ‘tourism appeal and contribution’ and ‘architectural concept and design’, which given relatively high weightages, at 40% and 30% respectively for the Marina Bay site⁵¹, and 45% and 25% for the Sentosa site.⁵² A Design Evaluation Panel comprising established local and international architects was consulted, and inputs from other international and local experts in areas such as attractions, entertainment, and financial and business models were also sought.⁵³ The government also urged gaming companies to team up with ‘starchitects’ such as I.M. Pei and Daniel Libeskind to design iconic buildings⁵⁴.

To further incentivise bidders to propose good concepts, the government took an unprecedented step to fix the price of the land in the tender process. Typically, land sales in Singapore are conducted on the basis of ‘highest bidder wins’, so as to maximise returns for the state. An exception is made for selected strategic sites, such as those in extremely prime locations, where non-price factors such as design and business concept were considered more important. For such sites, a two-envelope system is adopted where price bids and concept proposals are submitted and evaluated separately. The better designs and concepts are first shortlisted, before the land is awarded to the proposal with the highest bid of the shortlisted pool.

But for both IR sites, decision-makers felt a two-envelope tender would still be insufficient to ensure a truly stellar concept. They decided to fix the land prices. This move helped to avoid a situation where bidders invested less in their concepts to bid more for the land parcels. Eliminating uncertainty over land value and gave the bidders flexibility to develop the best possible concepts.⁵⁵

While 12 groups of investors were originally in the running for the right to develop the IRs, only four submitted bids for Marina Bay and three for Sentosa at the close of the RFPs. Those who dropped out cited reasons such as uncertainties about the project, as well as concerns over the tight governmental control.⁵⁶

Las Vegas Sands won the bid for the Marina Bay site, while the Genting International and Star Cruises, both part of Malaysia's Genting Group, was awarded the Sentosa site. Both IRs were completed and opened in 2010.

Safeguards and Mitigation Measures

Even before the IRs were up and running, policy makers had already acknowledged their potential negative externalities, and promised that these would be contained through different safeguards. On 1st June 2006, the Singapore government passed the **Casino Control Act**, which licensed the two companies to build two integrated resorts with casinos in their facilities. The Act also created a statutory board, **Casino Regulatory Authority (CRA)**⁵⁷, and a national council, **The National**

⁵¹ “Singapore Announces Evaluation Criteria For Casino-Resort Bid” *Bloomberg*, Feb 8 2006, <http://www.bloomberg.com/apps/news?pid=conewsstory&refer=conews&tkr=CZR:US&sid=a7rNuYMEsmaY>

⁵² Ministry of Law “Remarks by DPM Prof S Jayakumar at Press Conference on Award of Integrated Resort at Sentosa, 8 Dec” Dec 8 2006, <https://www.mlaw.gov.sg/content/minlaw/en/news/speeches/remarks-by-dpm-prof-s-jayakumar-at-press-conference-on-award-of-integrated-resort-at-sentosa-8-dec.html>

⁵³ Ministry of Law “Remarks by DPM Prof S Jayakumar at Press Conference on Award of Integrated Resort at Sentosa, 8 Dec”

⁵⁴ Sebastian Tong, “Singapore woos “starchitects” for casino project” *Reuters*, Nov 18 2005, <http://legacy.utsandiego.com/news/features/20051118-0500-leisure-singapore-casino.html> (cited July 31 2014)

⁵⁵ “Getting the best possible IR”, *Business Times*, Nov 9 2005

⁵⁶ Joan C. Henderson

⁵⁷ The CRA, under the authority of the Casino Control Act, sets requirements that casino operators and other persons with dealings with casinos such as employees, vendors and patrons have to comply with. It has the power to investigate the casino operators’ background, accounts and business links, and is the approving authority for the casinos’ operations. Source: Parliament of Singapore, “Casino Control Bill”, Feb 13 2014, <http://sprs.parl.gov.sg/search/topic.jsp?currentTopicID=00001740-WA¤tPubID=00004710->

Council of Problem Gambling (NCPG)⁵⁸.

Imposing Social Safeguards

The NCPG and CRA work together to limit the social impact of casino gambling, through various social safeguards⁵⁹, which have been progressively tightened over time.

For instance, all citizens and Permanent Residents have to pay a minimum levy of S\$100 per entry for 24 hours, or \$2,000 for unlimited access to one of the casinos for 12 months. However, some have argued that these minimum levies, particularly the annual ones, are too low to deter determined gamblers.

The government also put in place Exclusion Measures and Visit Limits. The former measure completely bars a person from entering the casino while the latter sets a cap on the number of times a registered individual may visit the casinos. For both measures, the person or his family can sign up him/her up, while third-party exclusions are automatically applied to those receiving financial aid from the Government, those living in rental flats and have more than 6 months of public housing arrears, those receiving government legal aid as well as undischarged bankrupts.⁶⁰

The casino operators are not allowed to accept credit cards and post-dated cheques from local residents, nor permitted to extend credit to local residents. The only exception would be for resident premium players who would have to deposit no less than \$100,000 upfront with the casino. Advertising of the casino in the local mass media is also strictly prohibited.⁶¹

Should casino operators breach these regulations, the CRA can take disciplinary action, such as imposition of fines or the variation, suspension and even termination of licences, against them. Since the opening of the IRs in 2010, the operators have been reprimanded by the CRA for testing the boundaries of the regulations, and also fined on multiple occasions for regulatory breaches that contravened the social safeguards.⁶²

Since the casinos started operation in 2010, regulations over them have been progressively tightened. In late 2012, after a review of the Casino Control Bill, Parliament passed amendments to the Act that sought to enhance provisions for social safeguards and effective gaming regulation. For instance, the maximum financial penalty that could be imposed for severe breaches was changed from \$1 million to 10% of the casinos' annual gross gaming revenue, which could add up to \$200 million.⁶³ (**Annex 4** provides details about the social safeguards, and disciplinary actions by CRA).

Education, treatment and counselling opportunities

Another way policy makers sought to tackle gambling addiction was to roll out education and

[WA&topicKey=00004710-WA.00001740-WA_1%2B%2B](#) (cited July 10 2014)

⁵⁸The NCPG provides preventive and rehabilitative programmes on gambling addictions, as well as advice and feedback to the Ministry of Social and Family Development (MSF) on social concerns related to problems arising from gambling. It provides public education and outreach programmes on problem gambling, public communications and consultation of stakeholders on gambling-related issues. NCPG also researches problem gambling issues, and looks into maintaining responsible gambling practices by the licensed gambling operators.

Source: National Council on Problem Gambling,

<http://www.ncpg.org.sg/en/Pages/OtherArticles.aspx?category=About+Us> (cited July 10 2014)

⁵⁹MCYS Press Release "Government Measures to Tackle Gambling Problems and Social Safeguard for Casino Operations", 18 April 2005, http://www.ncpg.org.sg/en/pdf/PressReleases/18%20apr%202005_20050418.pdf (cited June 20 2014)

⁶⁰ <http://www.ncpg.org.sg/en/Pages/DealWithProblemGambling.aspx?category=2> (cited June 23 2014)

⁶¹ Casino Control Act (**Chapter 33a**), Casino Control (Advertising) Regulations 2010, <http://statutes.agc.gov.sg/aol/search/display/view.w3p?page=0;query=CompId%3Abcf70187-e1cf-48d3-b28e-d6e84935a241;rec=0;resUrl=http%3A%2F%2Fstatutes.agc.gov.sg%2Faol%2Fbrowse%2FrelatedSLResults.w3p%3Bletter%3DC%3BpNum%3D1%3Bparent%3Da8fac596-93ec-449f-a0d1-3b956b5d4cfb%3Btype%3DactsAll>

⁶² Casino Regulatory Authority "Enforcement Actions", <http://www.cra.gov.sg> (Cited July 10 2014)

⁶³ "Singapore ups the ante for casino firms with new rules, bigger fine", *Reuters*, Jan 11 2013, <http://business.asiaone.com/sme-central/news/singapore-ups-ante-casino-firms-new-rules-bigger-fine>

outreach programmes. 36 Family Service Centres (FSCs) and the five Community Development Councils (CDCs) were tasked to provide more information on gambling addiction to the public, and staff at these centres were trained to check for compulsive gambling symptoms, and provide basic counselling, advice and referrals to more specialised services when necessary.⁶⁴ Specific FSCs also provide basic legal and financial advisory services to problem gamblers and their families.⁶⁵

In 2008, a National Addictions Management Service (NAMS)⁶⁶ was set up in the Institute of Mental Health, to provide treatment for people with addiction. NAMS provides treatment and counselling for gambling addicts, offers individual, group and family therapy, public education talks and training for health care and social service professionals, and also mans a 24-hour helpline to provide over-the-phone counselling for gamblers and their families.⁶⁷

Measures to Tackle Crime

To tackle casino related crime, a special police unit, the Casino Crime Investigation Branch, was set up.⁶⁸ The police went on an offensive against loan sharks throughout 2009, in advance of the IRs commencing operations, and were also provided with enhanced capacity, as well as as more leeway to deal with unlicensed money-lenders through changes in regulation. (see **Annex 5** for details of these measures)

Furthermore, strict guidelines have also been put in place to govern the operation of junkets, because these are often seen as covers for crime syndicates to engage in criminal activities, such as money laundering. Only junket promoters and junket representatives who hold valid licences issued by the CRA are allowed to organise or conduct casino marketing arrangements with the casino operators in Singapore. Income received by junket promoters are subject to taxes, while non-resident junket promoters are further subject to a 3% withholding tax.⁶⁹ Today, Singapore has only two approved junket promoters, compared to over 200 licensed junket operators in Macau.

These stringent guidelines, some commentators suggested, severely limit Singapore's ability to pull in the most lucrative segment of Asia's gaming market (i.e. the high rollers), and could also lead the casinos to rely more heavily on revenues from local players.⁷⁰ Other industry experts adopt a more sanguine perspective that only a small number of junkets are needed for the IRs to remain very successful, and that safeguarding Singapore's reputation as a transparent and safe location through stricter guidelines is of greater importance than the marginal increments in casino revenue from more junkets.⁷¹

Maintaining Competitiveness: Tax Regime

A tiered tax regime is currently applied to the casinos, where gambling revenues generated by premium players who open a deposit account with casino operators with a minimum of \$100,000,

⁶⁴ Parliament of Singapore, "Proposal To Develop Integrated Resorts (Statement by the Prime Minister and Minister for Finance)" 18 April 2005

⁶⁵ National Council on Problem Gambling, "Counselling Services", <http://www.ncpg.org.sg/en/Pages/DealWithProblemGambling.aspx?category=1> (cited July 7 2014)

⁶⁶ National Addiction Management Services's website: <http://www.nams.sg/Pages/index.aspx>

⁶⁷ "National Problem Gambling Helpline", <http://www.ncpg.org.sg/en/Pages/DealWithProblemGambling.aspx?category=1> (cited July 7 2014)

⁶⁸ Arthur Sim "New police unit for casino crimes" *The Business Times*, Jan 30 2010, <http://news.asiaone.com/News/AsiaOne%2BNews/Singapore/Story/A1Story20100527-218790.html>

⁶⁹ Inland Revenue Authority of Singapore, "Income Tax Treatment for Junket Promoters, International Market Agents and Representatives", [http://iras.gov.sg/irashome/uploadedFiles/Other Taxes and Services/Casino tax/Income%20Tax%20Treatment%20For%20Junket%20Promoters%20International%20Market%20Agents%20and%20Representatives%281%29.pdf](http://iras.gov.sg/irashome/uploadedFiles/Other_Taxes_and_Services/Casino_tax/Income%20Tax%20Treatment%20For%20Junket%20Promoters%20International%20Market%20Agents%20and%20Representatives%281%29.pdf) (cited July 8 2014)

⁷⁰ Muhammad Cohen

⁷¹ "Casino Junkets Briefing: What do new approvals of junket licenses mean for Singapore Casinos?" *Singapore Business Review*, April 2012, http://sbr.com.sg/sites/default/files/singaporebusinessreview/print/SBRAprilMay2k12_p23.pdf (cited July 8 2014)

are taxed at 5% while revenues from other, mass market players are taxed at 15%⁷². This lower tax rate for premium players was originally set to incentivise casino operators to bring in more high rollers, rather than target the mass market.⁷³ These tax rates were also guaranteed for at least 15 years. (see **Annex 3** for RFP specifications)

Singapore's tax rates are much lower than regional competitors like Macau, which imposes a 39% tax on gaming revenues (although Macau does not have a corporate income tax), but is comparable with Nevada, Las Vegas, which adopts a graduated tax rate with a maximum of 6.75% on gaming revenues.⁷⁴ While some argue that such lower casino tax rates are needed to entice the IR operators to include more non-casino amenities, which are comparatively less profitable, others argue that the low gaming taxes incentivise IR operators to focus mostly on their gaming operations, and thus pay only lip service to other, non-gambling activities that could contribute more to the economy.⁷⁵ Higher tax rates would also benefit the Singapore government, as more revenue could be ploughed back into its yearly budget.

Impact of Casinos

a) Economic Growth

Tourism and Job Creation

The opening of the Integrated Resorts in 2010 was met with much fanfare, publicity, and long lines of eager gamblers. Within a year of opening, the casinos posted remarkable returns. A 2011 article from *The Economist* reported, "Since opening [...] the Marina Bay Sands (MBS) casino has become perhaps the most profitable in the world. Together with Resorts World Sentosa (RWS), another casino complex opened in Singapore last February, it is close to out-grossing the entire Las Vegas strip."⁷⁶

The IRs has had a positive effect on Singapore's tourism industry. Visitor arrivals increased after introduction of the IRs, jumping by nearly 50 percent to an estimated 14.4 million in 2012 compared with the end of 2009, before the casinos were opened.⁷⁷ Tourism receipts from sightseeing and entertainment, which includes gambling, surged 37 percent to S\$5.5 billion in 2011.⁷⁸ Specific attractions that are part of the Integrated Resorts, such as Universal Studios in Sentosa, and the Skypark in Marina Bay Sands, saw plenty of tourist traffic.⁷⁹ Similarly, the convention facilities in both IRs helped to grow Singapore's reputation as a convention hub.⁸⁰

Based on 2013 second quarter data, non-gaming revenue accounted for approximately a quarter of the two resorts' total combined revenue of about \$1.3 billion. While the bulk of revenue is still generated by the casinos, the non-gaming components in Singapore contribute a comparatively high

⁷² IRAS, "How casino tax is computed (Gross Gaming Revenue, casino tax rates...)", April 4 2014, <http://iras.gov.sg/irasHome/page04.aspx?id=10032>

⁷³Parliament of Singapore, "Casino Control Bill", Feb 14 2006, http://sprs.parl.gov.sg/search/topic.jsp?currentTopicID=00001765-WA¤tPubID=00004711-WA&topicKey=00004711-WA.00001765-WA_1%2B%2B (cited July 8 2014)

⁷⁴ Nevada State Gambling Control Board, Gaming Commission, "License Fees and Tax Rate Schedule", <http://gaming.nv.gov/index.aspx?page=94#non-monthly-percentage>

⁷⁵Sunita Sue Leng, "Sunita Sue Leng: Lessons from Singapore's casinos" Feb 14 2012, <http://www.theedgesingapore.com/blog-heads/sunita-sue-leng/35763-sunita-sue-leng-lessons-from-singapore-casinos.html> (cited July 14 2014)

⁷⁶ Sin galore; Gambling in Singapore, *The Economist*, Feb 26 2011

⁷⁷ Anshuman Daga and Kevin Lim, "Singapore casinos trump Macau with tourism aces" *Reuters*, Sept 23 2013, <http://www.reuters.com/article/2013/09/24/singapore-casinos-idUSL3N0HF02Q20130924> (cited June 26 2014)

⁷⁸ Kevin Lim "Singapore says casino-related crime well under control", *Reuters*, Feb 7 2012, <http://www.reuters.com/article/2012/02/07/uk-singapore-casino-idUSLNE81601A20120207> (cited May 20 2014)

⁷⁹ Anshuman Daga and Kevin Lim

⁸⁰ "Buzz is back in Singapore thanks to mega-casinos" *Sydney Morning Herald*, June 24, 2010, <http://www.smh.com.au/travel/travel-essentials/travel-news/buzz-is-back-in-singapore-thanks-to-megacasinos-20100624-z0pi.html>

proportion, compared with what is observed in Macau where non-gaming is only about 10 percent of total revenue.⁸¹

In 2012, the IRs both employed over 22,000 staff, of whom approximately 70% were locals.⁸² The Ministry of Industry and Trade (MTI) in Singapore estimated that, in total, over 40,000 jobs were created, while brokerage CLSA estimated that the IRs contribute between 1.5 and 2 percent of Singapore's GDP, and accounted for 1.8 percent of employment in Singapore.⁸³

Nevertheless, despite the success of the casinos, casino executives have lamented that Singapore's strict regulations on gambling are hampering further growth in gambling revenues. While the casinos pulled in a respectable 6.3 billion USD in 2013, the overall rate of growth has slowed, compared to Macau whose proximity to mainland China and less strict regulations has generated revenue growth of about 20 billion USD between 2010 and 2013.⁸⁴

Gain in Tax Revenues

The overall net increase in tax revenue from the IR casinos, after accounting for the loss of tax revenues from the resultant decline of other gaming activities, was about \$900 million for FY10—approximately 3% of all tax revenues collected by the Inland Revenue Authority Of Singapore (IRAS) for that year⁸⁵. The IRs contributed another \$1.1 billion of net increase in tax revenues in FY2012, which approximated 2.2% of the government's operating revenue⁸⁶ All in all, the IRs contribute a relatively small fraction of government revenues.

b) Social Impact

Visits from Locals

Most of the social safeguards are aimed at creating a higher barrier of entry for locals wishing to patronise the casinos. Local visitor-ship rates to the casinos are thus a figure keenly tracked by policy makers and the public alike, as an indication of the effectiveness of these measures.

The 2013/2012 CRA report showed a downward trend in the number of visits since the IRs was first launched. Daily average visits by Singaporean citizens and PRs fell from 20,000 in 2010 to about 17,000 in 2012. Annual and day levy purchases also dropped over the same period.⁸⁷ Total entry levies collected fell from \$216m⁸⁸ in 2010 to \$174 million in 2012.⁸⁹

⁸¹ Anshuman Daga and Kevin Lim

⁸² Singapore Parliament, "Number of Singaporeans Employed by the Casinos in Singapore", Nov 12, 2012 http://sprs.parl.gov.sg/search/topic.jsp?currentTopicID=00078156-WA¤tPubID=00078220-WA&topicKey=00078220-WA.00078156-WA_1%2BhansardContent43a675dd-5000-42da-9fd5-40978d79310f%2B (cited July 31 2014)

⁸³ Rajeshni Naidu-Ghelani "As Singapore's Casinos Slow, Will the Economy Suffer", *CNBC*, Jan 10 2013, <http://www.cnbc.com/id/100368219> (cited May 20 2014)

⁸⁴ Kate O'Keeffe, "Singapore's Casinos Face Obstacles to Growth" *Wall Street Journal* <http://online.wsj.com/articles/singapores-casinos-face-obstacles-to-growth-1401388732> (cited May 20 2014)

⁸⁵ Inland Revenue Authority of Singapore's Collection for FY 2010/11 was \$34.7 billion. Source: <http://www.iras.gov.sg/irashome/page.aspx?id=15060> (cited May 20 2014)

⁸⁶ Parliament of Singapore, "Casino Control (Amendment Bill)" Nov 16 2012, http://sprs.parl.gov.sg/search/topic.jsp?currentTopicID=00078325-WA¤tPubID=00078336-WA&topicKey=00078336-WA.00078325-WA_3%2Bid-a0dc3082-49ac-4d5d-b3b7-cbfb91ad68d1%2B (cited July 8 2014)

⁸⁷ CRA, "Casino Regulatory Authority Annual Report 2012/13", file:///C:/Users/sptsb/Downloads/Casino%20Regulatory%20Authority%20of%20Singapore%20Annual%20Report%202012-2013_lr_1Oct.pdf (cited July 9 2014)

⁸⁸ Second Reading Wrap Up Speech By Mr S Iswaran, Minister In The Prime Minister's Office And Second Minister For Home Affairs And Trade & Industry, On The Casino Control (Amendment) Bill, In Parliament, On Friday, 16 November 2012, <http://www.straitstimes.com/sites/straitstimes.com/files/SECOND%20READING%20WRAP%20UP%20SPEECH%20>

While these numbers indicated that local interest in the casinos were leveling off, based on 2012 estimates from the IRs, locals still comprised a good 25% to 30% of all casino visitors.⁹⁰

Problem gambling and gambling losses

According to 2011 survey conducted by the NCPG, the launch of the casinos in 2010 did not create a significant increase in the percentage of pathological or probable problem gamblers, or an increase in overall gambling rates, between 2008 and 2011.⁹¹

However, NCPG's survey also indicated that gamblers tended to exhibit poorer self-control in local casinos, compared with other avenues of gambling. (see **Exhibit 4**). Thus, even though the overall rates of gambling and number of gamblers may not have increased with the introduction of the casinos, the magnitude and amount of gambling losses would probably have increased.

A recent study published in *The Economist* estimated that the average adult resident in Singapore lost approximately S\$1,189 in 2013, putting Singapore high on the global charts in terms of per capita gambling losses.⁹² Almost half of this amount was estimated to be lost in casinos, with the remainder going to lotteries, non-casino gaming machines, betting and offshore gaming websites (see **Exhibit 5**⁹³).

Growth of the pawnbroking industry in recent years has also been linked to the introduction of the casinos. From 2008 to 2014, the number of pawnshops increased from 114 to 214, while loans disbursed by the pawn-broking industry increased from \$1.6 billion in 2007 to S\$5.5 billion in 2013. According to Ivan Ho, the president of Singapore Pawnbrokers' Association, 20 per cent of the increase in pawnbroking activity has been driven by those raising money for gambling, since “[p]awnshops are the most frequent automated teller machines for regular gamblers”⁹⁴.

BY%20MR%20S%20ISWARAN%20ON%20THE%20CASINO%20CON (cited May 26 2014)

⁸⁹ Chun Han Wong, “Singapore Casinos Lose Lustre Among Locals”, *The Wall Street Journal*, Sept 26 2013, <http://blogs.wsj.com/searealtime/2013/09/26/singapore-casinos-lose-luster-among-locals/> (cited June 24 2014)

⁹⁰ Second Reading Wrap Up Speech By Mr S Iswaran, Minister In The Prime Minister's Office And Second Minister For Home Affairs And Trade & Industry

⁹¹ National Council on Problem Gambling “Gambling Participation Survey” Feb 23 2012, http://www.ncpg.org.sg/en/pdf/2011_NCPG_Gambling_Participation_Survey_23_Feb_2012.pdf (cited June 24 2014)

⁹² While per capita gambling losses in Singapore are ranked the highest amongst Asian countries, actual gambling rates elsewhere are likely to be higher than estimated, because of the lack of regulation and verifiable information on gambling revenues available there. H2 Gambling Capital—the firm behind the estimates—explained that the highly legalised and regulated industry in Singapore contributes to its high ranking. Furthermore, the study takes a country-wide perspective, which averages out the gambling losses in cities like Macau with the rest of China. A regional or city-level estimate of per capita gambling losses would likely generate a different picture.

⁹³ J.S. and L.P. “The House Wins”, *The Economist*, Feb 3 2014, <http://www.economist.com/blogs/graphicdetail/2014/02/daily-chart-0> (cited July 9 2014)

⁹⁴ “Casinos fuel Singapore pawnshops” *MyPaper*, June 19 2014, <http://mypaper.sg/top-stories/casinos-fuel-singapore-pawnshops-20140619> (cited Aug 4 2014)

Exhibit 4: Survey Results on Gambling, 2010

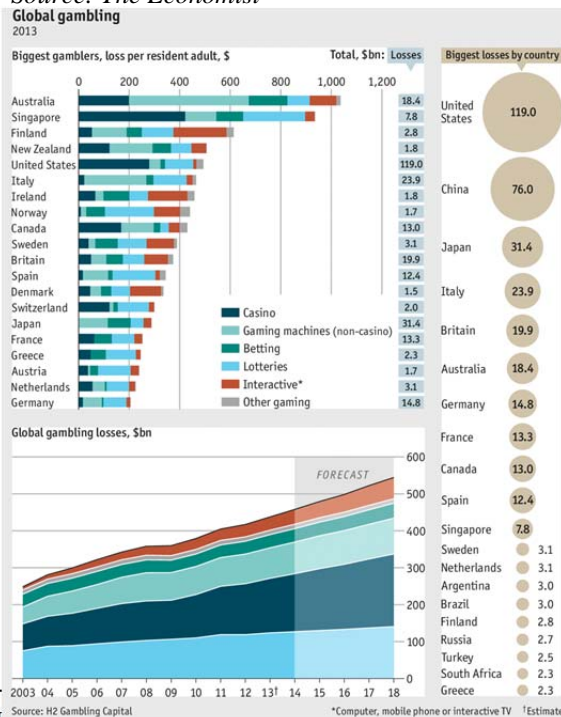
Table B13 – Poor Self-Control in Gambling (%), among Gamblers who have Participated in Specific Gambling Activities

Among gamblers who have participated in ...	% who gambled for a longer period of time than had planned to	% who gambled with more money than had planned to	% who gambled more frequently than had planned to
TOTO	4.6	4.7	3.8
4D	4.9	4.8	3.8
Singapore Sweep	6.2	5.4	4.8
Social Gambling	8.9	7.7	5.1
Sports Betting	11.8	10.5	10.5
Horse Racing	21.3	14.9	0.0
Jackpot Machines in Local Casinos (IRs)	19.1	14.4	10.1
Jackpot Machines in Local Clubs	9.8	11.5	13.1
Jackpot Machines in Cruises/Outside Singapore	13.0	12.0	5.4
Table Games in Local Casinos (IRs)	26.5	23.5	21.3
Table Games in Cruises/Outside Singapore	17.2	16.5	11.2
Online Gambling	30.4	33.3	29.2
Among All Gamblers	5.0	5.1	4.0

Note: A higher percentage indicates poorer self-control in gambling.

Exhibit 5: Gambling loss per resident adult.

Source: *The Economist*



Crime and Corruption

The introduction of the casinos also saw relatively moderate incidences of petty crimes specific to casinos. For instance, there were 282 incidences in 2011, and 299 in 2010. General island-wide crime rates remained low, indicating that the casinos had not negatively affected safety and security.⁹⁵

However, the casinos were linked to high-profile cases of corruption. For instance, in 2013, an assistant director at the Corrupt Practices Investigation Bureau was charged with misappropriating over S\$1.7 million, partially to finance his gambling account at Marina Bay Sands. The scandal led to more stringent requirements for civil servants in critical roles, such as in regulatory or enforcement jobs, to declare every visit to a local casino within seven days. Other civil servants were required to make a declaration if they visited the local casinos more than four times a month or if they had bought an annual pass.⁹⁶

A dose of glitz and glamour

The IRs, both massive in scale and distinctive in design⁹⁷, have transformed Singapore's skyline (see Exhibit 6 and 7). They have also helped persuade the international community that Singapore has loosened up somewhat, as evident from a Forbes article that quipped "Singapore is still Singapore, but with a much cooler image."⁹⁸



Exhibit 6: Marina Bay Sands, 2013. Author's photo.



Exhibit 7: Resorts World Sentosa, <http://www.rjse.com>

At the same time, the IRs have introduced to Singapore night-clubs of unprecedented exclusivity and excess, high-end restaurants helmed by Michelin-starred celebrity chefs, and a new reputation of being "the world's newest Monaco, a haven for the ultra-rich", according to a 2013 Wall Street Journal article.⁹⁹ While the rising inequality in Singapore cannot be solely attributed to the IRs, these mega developments have nevertheless become shiny beacons of opulence that accentuated the stark disparities between the haves and have-nots in Singapore.

Case Question for Part Two:

You are a policy maker tasked to review current policies towards the IRs. What is your assessment of the initial decision to proceed with the casinos? Should Singapore introduce more casinos? How would you assess the current slew of safeguards and policies on the IRs? Are they sufficient? If not, what more do you think should be done? (e.g. higher entrance levies; higher taxes on casino operators?)

⁹⁵ Kevin Lim "Singapore says casino-related crime well under control", *Reuters*, Feb 7 2012, <http://www.reuters.com/article/2012/02/07/uk-singapore-casino-idUSLNE81601A20120207> (cited May 20 2014)

⁹⁶ Kevin Lim, "Singapore civil servants told to declare casino visits" *Reuters*, Sept 30 2013 <http://www.reuters.com/article/2013/09/30/us-singapore-casino-idUSBRE98T0EX20130930> (cited July 9 2014)

⁹⁷ Both IRs are designed by big-name international architects Resorts World Sentosa is designed by Michael Graves, an American architect while Marina Bay Sands is designed by Moshe Safdie, an Israeli-Canadian architect.

⁹⁸ Muhammad Cohen, "Macau Wannabes Court Singapore Model" *Forbes Asia*, April 8 2014, <http://www.forbes.com/sites/muhammadcohen/2014/04/08/macau-wannabes-court-singapore-model/> (cited July 8 2014)

⁹⁹ Shibani Mahtani, "Wealth over the edge: Singapore" *The Wall Street Journal*, March 7 2013, <http://online.wsj.com/news/articles/SB10001424127887324662404578334330162556670> (cited July 31 2014)

A history of rejections

In 1965 and 1967, policy makers in the newly independent Singapore contemplated the introduction of casinos offshore, first on Pulau Sejahtat and then on Sentosa, to help boost tourism.¹⁰⁰ Then Finance Minister, Dr. Goh Keng Swee and other members of Parliament argued that casinos would lead to a corruption of morals, and opposed the proposal.

Similarly, in 1970, when Hong Kong businessman Stanley Ho proposed to build a casino in Singapore, his proposal was roundly rejected by then Prime Minister Lee Kuan Yew, who stated “no, not over my dead body”¹⁰¹

In 1985, as Singapore slid into recession, the debate over casinos arose again. Despite the fact that much-needed economic gains could be created by a casino, the proposal was squashed. Later, the former Prime Minister Goh Chok Tong would state, “There will be no Casino, as long as I am PM”¹⁰²

In 2001, in response to another economic recession, the Economic Review Committee, which was formed to re-examine Singapore’s economy¹⁰³, proposed that casinos should be legalised -as a way to promote tourism. Lee Hsien Loong, then-Deputy Prime Minister and Finance Minister, rejected the proposal because the ‘social dangers outweigh potential revenues from such a move’, and further added that “we’ve studied this many times, and every time there is a recession, someone thinks it might be a good idea to make some money ... but we have to consider the social implications of it, and I would not support it”¹⁰⁴

¹⁰⁰ Joshua Sim, “The Casino and Modernity”, NUS Masters Thesis, 2013, 30-31

¹⁰¹ Joshua Sim, 34

¹⁰² Joshua Sim, 36

¹⁰³“About MTI: Economic Review Committee”,

<http://www.mti.gov.sg/AboutMTI/Pages/Economic%20Review%20Committee.aspx> (cited June 2 2014)

¹⁰⁴ Joshua Sim, 38

The Gambling Landscape in Singapore

Non-casino gambling in Singapore includes horse racing, 4D¹⁰⁵, Toto¹⁰⁶, Singapore Sweep¹⁰⁷, football betting, and private lottery clubs, were gradually legalised in the early post-Independence years.

Two key principles undergirded the Government's gambling policy. First, products with ready-made legal markets could be legalised to stem the revenue leakage to illegal bookmakers. Second, there would be safeguards in place to ensure that punters do not become addicted to the product, or that gambling did not corrode the work ethic of citizens.

During the colonial era right up to Independence, the only legal form of gambling was horserace betting that was conducted by the Singapore Turf Club (STC) within its premises. In the early 1960s, the government passed the Betting and Common Gaming Houses Bills, which provided for the suppression of common betting houses, betting in public places and bookmaking, and the legalisation of other forms of off-course betting on horse racing to be conducted. When these Bills were debated in Parliament, the government stressed that gambling products would only be legalised as a final resort if the Police was unable to stem the illegal sale of these products.¹⁰⁸

The STC remained a private club registered under the Societies Act, until 1987 when the government passed the Singapore Totalisator Board Act, which provided the legislative authority for the property and funds of the STC to be held on trust by the Tote Board.¹⁰⁹ Numbers betting (4D, Toto.), and later soccer and F1 racing betting, was conducted by Singapore Pools. It was established in 1968 as a wholly owned subsidiary of Temasek Holdings Ltd, Singapore's sovereign wealth fund. In 2004, Tote Board acquired Singapore Pools from Temasek Holdings thereby giving Tote Board the right to operate all legalised national lotteries and sports betting in Singapore.¹¹⁰

How much do Singaporeans gamble?

According to a 2005 survey, 58% of Singapore residents aged 18 and above reported that they have participated in at least one form of gambling activity over the last 12 months. The same study was repeated in 2008 where 54% of Singapore residents aged 18 and above reported that they have participated in at least one form of gambling activity in the last 12 months. This figure dropped to 47% in 2011.

All surveys confirmed that the most popular types of gambling activities were 4D, Toto and Singapore Sweep, and to a lesser extent, social gambling (e.g. Mahjong, card games with friends or relatives).

¹⁰⁵ 4D, is a game in which the player picks a 4-digit number from 0000 - 9999.

¹⁰⁶ TOTO is a game in which the player picks minimum 6 numbers from 1 to 45 for the basic Ordinary Entry

¹⁰⁷ The Singapore Sweep is a sweepstake lottery with a 7-digit number.

¹⁰⁸ Ibid.

¹⁰⁹ Parliament of Singapore, "Singapore Totalisator Board Bill," updated 30 November 1987, http://sprs.parl.gov.sg/search/topic.jsp?currentTopicID=00060773-ZZ¤tPubID=00069544-ZZ&topicKey=00069544-ZZ.00060773-ZZ_1%2Bbid033_19871130_S0002_T00101-bill%2B (cited on 25 May 2014).

¹¹⁰ Parliament of Singapore, "Singapore Totalisator Board (Amendment) Bill," updated 20 April 2004, http://sprs.parl.gov.sg/search/topic.jsp?currentTopicID=00000370-WA¤tPubID=00004667-WA&topicKey=00004667-WA.00000370-WA_1%2B%2B (cited on 25 May 2014).

The median monthly betting amount on games in the last 12 months was \$83 for 2005, \$100 in 2008 and \$40 in 2011. However, in 2011, the average monthly betting amount was higher at \$212, compared to \$176 in 2008.

In 2005, 2.1% of respondents were classified as probable pathological gamblers. The 2011 survey found that the proportion of respondents classified as probable pathological gamblers fell to 1.2% in 2008, and stayed at 1.4% in the 2011.

In 2005, another 2.0% were classified in the less severe category of probable problem gamblers. This number fell to 1.7% in 2008 and 1.2% in 2011.

Sources:

- National Council on Problem Gambling, *Report Of Survey On Participation In Gambling Activities Among Singapore Residents, 2011*, 23 Feb 2012, <http://app.msf.gov.sg/Portals/0/Summary/research/EDGD/Gambling%20participation%20survey%202011.pdf>
- Ministry Of Community Development, Youth And Sports, *Report Of Survey On Participation In Gambling Activities Among Singapore Residents, 2005*, 13 April 2005, <http://app.msf.gov.sg/Portals/0/Summary/research/publications-survey-gambling05.pdf>

Summary of the key request for proposals specifications for the Marina Bay integrated resorts

1. Achieving a world- class, iconic development	The IR at Marina Bay is envisaged to be modern and contemporary in style, incorporating an external architectural treatment that is appropriate to its prime downtown location and complementary to the modern image of Singapore as a leading Asian city. The IR operator has to comply with URA's (Urban Redevelopment Authority) planning specifications and guidelines, which include design requirements and urban planning controls.
2. Site parameters	The site area is 20.6 hectares (subject to final survey) with maximum gross floor area of 570,000sqm and minimum gross floor area of 270,000sqm. The land tenure is for 60 years.
3. Public facilities	The IR operator will be required to provide a landmark public attraction (i.e., a cultural centre, museum, art gallery, contemporary art centre, performance theatre, arena, science centre, maritime museum, planetarium or aquarium) at the Bayfront Promontory as well as public facilities such as the Waterfront Promenade around the Bay and Events Plaza, a landscaped deck link to the new Waterfront Garden at Marina South and pedestrian links as part of development works.
4. Casino concession and casino licence	The IR operator will have the concession to operate a casino for 30 years. Apart from the concession, the IR operator has to apply to the Casino Regulatory Authority for a casino licence to operate the casino. During the period of 10 years from the date of the signing of the second (i.e., Sentosa) agreement, only two casino licences will be issued.
5. Law and order requirements	The IR operator must comply with the Regulator's requirements and standards in areas such as surveillance systems, security personnel and anti-money laundering programme.
6. Restrictions on gaming area and machines	The maximum gaming area allowed is 15,000sqm. The maximum number of gaming machines allowed is 2500.
7. Social safeguards	The IR operator must comply with the following: Prohibit entry to the casino for those below 21 years. Collection of a casino entry levy of S\$100 per day or S\$2000 per year for Singapore residents. Provision of self and third party exclusion schemes. Display of information on problem gambling, help services, rules of games and odds of winning. Restrictions on advertising of casinos and casino gambling. Restrictions on extension of gaming credit to Singapore residents, with the exception of premium players. No ATMs allowed within the casino. Provision of a system to allow loss limits to be set voluntarily.
8. Casino tax	The IR operator shall pay a casino tax of: 15% on monthly gross gaming revenue from regular players. 5% on monthly gross gaming revenue from premium players. The government is committed not to raise this casino tax for at least 15 years. The

	prevailing GST (General Sales Tax) will also be applicable to gross gaming revenue.
9. Cross shareholding restrictions	The controlling shareholder of one IR will not be permitted to hold an interest or a management contract for operating the casino in the other IR. The controlling shareholder is defined as the single entity that owns the largest direct and indirect stake of the voting shares in the successful proposer.
10. Commencement requirements	The IR operator can apply for the casino licence only when at least half of the proposed gross floor area has been completed and ready to receive visitors and at least half of the committed investment has been expended. The IR operator is required to expend 100% of its committed development investment 3 years after the casino licence has been issued.
11. Evaluation criteria	The evaluation criteria include: <ul style="list-style-type: none"> • Tourism appeal and contribution. • Level of development investment. • Architectural and urban design. • Concept excellence. • Strength of consortium and partners' track record.

Original Source: STB (2005b) Update on Request for Proposals for the Integrated Resorts, Singapore Tourism Board Media Release, 16 June.

Reproduced from: Joan C. Henderson, "Managing the Planning and Development of new visitor attractions: A Singapore Model", *Managing Leisure*, 12:1, 24-42, May 2 2007

Annex 4

Regulating the Casinos: Safeguards and Sanctions

a) Minimum age and Casino entry levy: All citizens and Permanent Residents have to pay a minimum levy of S\$100 per entry for 24 hours, or \$2,000 for unlimited access to one of the casinos for 12 months. The entry levies, which are intended to discourage locals from entering the casinos, are channeled to the Singapore Totalisator Board,¹¹¹ a government statutory board that manages the profits of the country's other legal gambling operations (e.g. lotteries, horse racing, sports betting) for charitable purposes.

Critics have argued that these minimum levies, particularly the annual ones, are too low to deter determined gamblers. Gerald Giam, an opposition party Member of Parliament commented, "\$2,000 amounts to only a paltry \$5.50 per day, and is equivalent to only 20 daily entry levies. Effectively, regular gamblers get a "discount" off their levy, while occasional gamblers have to pay a higher levy per visit. This sends the wrong message that regular gambling is preferred over occasional gambling."¹¹² However, the government countered that only 1% of total number of levies collected were annual passes, which indicated that the higher cost of an annual pass was effective in deterring purchases.¹¹³

b) Exclusion Measures and Visit Limits: The Casino Control Act makes provisions for three types of exclusions from the casinos. A person may volunteer himself for self-exclusion, while family members can also make an application for those who pose a threat to his or her family. The final type, a Third Party Exclusion, automatically applies to those receiving financial aid from the Government, those living in rental flats and have more than 6 months of public housing arrears, those receiving government legal aid as well as undischarged bankrupts.¹¹⁴

In June 2013, the government rolled out an additional social safeguard, the **Casino Visit Limit**. Administered by the NCPG, the Visit Limit sets a cap on the number of times a registered individual may visit the casinos at the Integrated Resorts each month. Individuals can voluntarily apply to the NCPG to limit their visits, as can their family members. Persons who have poor credit records or who are vulnerable to financial harm could be given a third-party limit by a Committee of Assessors appointed by the NCPG.¹¹⁵

As of March 2014, a total of over 200,000 exclusions have been issued, of which a sizeable majority are self-exclusion orders from foreigners. As for visit limits, approximately 300 and 600 persons have received voluntary visit limits and third-party visit limits respectively.¹¹⁶

¹¹¹ For more details about the Board, please refer to Annex 2.

¹¹²Parliament of Singapore, "Casino Control (Amendment) Bill", Nov 15 2012, http://sprs.parl.gov.sg/search/topic.jsp?currentTopicID=00078302-WA¤tPubID=00078311-WA&topicKey=00078311-WA.00078302-WA_2%2Bid-ac85c05c-4dea-424a-a75f-a39602f251f1%2B

¹¹³ Parliament of Singapore, "Casino Control (Amendment) Bill, Nov 16 2012, http://sprs.parl.gov.sg/search/topic.jsp?currentTopicID=00078325-WA¤tPubID=00078336-WA&topicKey=00078336-WA.00078325-WA_3%2Bid-a0dc3082-49ac-4d5d-b3b7-cbfb91ad68d1%2B

¹¹⁴ <http://www.ncpg.org.sg/en/Pages/DealWithProblemGambling.aspx?category=2> (cited June 23 2014)

¹¹⁵Ministry of Social and Family Development, "Casino visit limit on financially vulnerable singaporeans and PRs takes effect from 1 June" 27 May 2013,

http://www.news.gov.sg/public/sgpc/en/media_releases/agencies/msf/press_release/P-20130528-1 (cited June 20 2014)

¹¹⁶ 1,720 exclusion orders were family orders, 153,030 were self-exclusion orders (of which 139,686 were from foreigners), and the rest were third party exclusions. 344 persons have received voluntary visit limits, 584 have been imposed with third-party visit limits, and more than 700 additional requests are pending. Source: NCPG, "Casino Exclusion and Visit Limit Statistics", <http://www.ncpg.org.sg/en/Documents/Exclusion%20and%20Visit%20Limit%20Statistics%20for%20Media%20Release.pdf> (cited June 20 2014)

c) No extension of credit: The casino operators are not allowed to accept credit cards and post-dated cheques from local residents and will also not be permitted to extend credit to local residents. The only exception would be for resident premium players who would have to deposit no less than \$100,000 upfront with the casino.

d) Controls on Advertising: All forms of advertising of the casino in the local mass media are prohibited. However, casino advertisement or promotions that are targeted primarily at tourists or a principal market which is not Singapore may be approved by authorities.¹¹⁷

Casino Regulatory Authority's Actions

Since the opening of the IRs in 2010, the operators have been reprimanded by the CRA for testing the boundaries of the regulations. For instance, in 2010, both IRs ran shuttle services and casino promotional activities, which were targeted to facilitate local visits to the casinos—a transgression of CRA's requirements not to target the local market. These activities drew the CRA's ire and were ordered to stop.¹¹⁸

On multiple occasions, the CRA also imposed financial penalties on the IRs for regulatory breaches that contravened the social safeguards. For instance, in 2012, Resorts World Sentosa was fined \$600,000 when staff members carried out a marketing programme that gave incentives to local residents when they purchased new annual entry levies or renewed their annual entry levies. Over the past years, both IRs have also chalked up multiple fines for failing to prevent Singaporean citizens and PRs from entering its premises without valid entry levies, as well for allowing excluded persons from entering the casino.¹¹⁹ Table below summarises these fines.

Date	Relevant Legislation	Breach & Action Taken By CRA
13/11/2013	Section 116(1) of the Casino Control Act	The Casino Regulatory Authority of Singapore has imposed financial penalties totalling \$102,500 on Marina Bay Sands Pte. Ltd. (MBS) for failing to prevent Singapore citizens and permanent residents (SCPRs) from entering and/or remaining on its casino premises without valid entry levies, in respect of cases reported or detected in the period of 1 May 2012 to 31 December 2012. CRA took action in respect of 12 SCPRs who had entered/remained on MBS' casino without valid entry levies and 5 SCPRs who had remained in the casino without valid entry levies after their 24-hour entry levies had expired. The Casino Regulatory Authority of Singapore has also separately censured MBS for contravening entry levy requirements in relation to 117 SCPR MBS employees/employee of MBS tenant.
13/11/2013	Section 126(1) of the Casino Control Act	The Casino Regulatory Authority of Singapore has imposed financial penalties totalling \$235,000 on Marina Bay Sands Pte. Ltd. (MBS) for failing to prevent 16 excluded persons from entering and/or remaining on its casino premises without reasonable excuse, in respect of cases reported or detected in the period of 1 May 2012 to 31 December 2012.
13/11/2013	Section 116(1) of the Casino Control Act	The Casino Regulatory Authority of Singapore has imposed financial penalties totalling \$55,000 on Resorts World at Sentosa Pte. Ltd. (RWS) for failing to prevent Singapore citizens and permanent residents (SCPRs) from entering and/or

¹¹⁷ Casino Control Act (Chapter 33a), Casino Control (Advertising) Regulations 2010, <http://statutes.agc.gov.sg/aol/search/display/view.w3p?page=0;query=CompId%3Abcf70187-e1cf-48d3-b28e-d6e84935a241;rec=0;resUrl=http%3A%2F%2Fstatutes.agc.gov.sg%2Faol%2Fbrowse%2FrelatedSLResults.w3p%3Bletter%3DC%3BpNum%3D1%3Bparent%3Da8fac596-93ec-449f-a0d1-3b956b5d4cfb%3Btype%3DactsAll>

¹¹⁸ Dickson Li, "Bus (Stops)", *The Singapore Law Review*, Oct 4 2010, <http://www.singaporelawreview.org/2010/10/bus-stops/> (cited July 11 2014)

¹¹⁹ Casino Regulatory Authority "Enforcement Actions", <http://www.cra.gov.sg> (Cited July 10 2014)

		remaining on its casino premises without valid entry levies, in respect of cases reported or detected in the period of 1 May 2012 to 31 December 2012. CRA took action in respect of 12 SCPRs who had entered/remained on RWS' casino without valid entry levies and 1 SCPR who had remained in the casino without valid entry levy after his 24-hour entry levy had expired.
13/11/2013	Section 126(1) of the Casino Control Act	The Casino Regulatory Authority of Singapore has imposed financial penalties totalling \$70,000 on Resorts World at Sentosa Pte. Ltd. (RWS) for failing to prevent 5 excluded persons from entering and/or remaining on its casino premises without reasonable excuse, in respect of cases reported or detected in the period of 1 May 2012 to 31 December 2012.
13/11/2013	Section 133(1) of the Casino Control Act	The Casino Regulatory Authority of Singapore has imposed financial penalties totalling \$65,000 on Resorts World at Sentosa Pte Ltd (RWS) for failing to prevent 5 foreign minors from entering and/or remaining on its casino premises without reasonable excuse, in respect of cases reported or detected in the period of 1 May 2012 to 31 December 2012.
13/2/2013	Regulation 3(2) of the Casino Control (Surveillance) Regulations 2009	The Casino Regulatory Authority of Singapore has imposed a financial penalty of \$150,000 on Marina Bay Sands Pte. Ltd. (MBS) for failing to ensure that specified casino surveillance footage during the period 14 September 2011 to 12 April 2012 was retained for the period required by CRA. MBS, as a casino operator, has contravened Regulation 3(2) of the Casino Control (Surveillance) Regulations 2009.
13/2/2013	Regulation 3(2) of the Casino Control (Surveillance) Regulations 2009	The Casino Regulatory Authority of Singapore has imposed a financial penalty of \$100,000 on Marina Bay Sands Pte. Ltd. (MBS) for failing to ensure continuous recording of specified casino surveillance footage during the period 17 December 2011 to 14 June 2012. MBS, as a casino operator, has contravened Regulation 3(2) of the Casino Control (Surveillance) Regulations 2009.
13/2/2013	Regulation 3(2) of the Casino Control (Surveillance) Regulations 2009	The Casino Regulatory Authority of Singapore has imposed a financial penalty of \$225,000 on Marina Bay Sands Pte. Ltd. (MBS) for failing to have a failure notification system to provide an audible as well as visual notification of specific failures in the casino surveillance system. MBS, as a casino operator, has contravened Regulation 3(2) of the Casino Control (Surveillance) Regulations 2009.
15/1/2013	Section 116(1) of the Casino Control Act	The Casino Regulatory Authority of Singapore has imposed financial penalties totalling \$35,000 on Marina Bay Sands Pte. Ltd. (MBS) for failing to prevent Singapore citizens and permanent residents (SCPRs) from entering and/or remaining on its casino premises without valid entry levies during the period 1 November 2011 to 30 April 2012. CRA took action in respect of 6 SCPRs who had entered MBS' casino without valid entry levies and 1 SCPR who had remained in the casino beyond the 24 hours' validity of the day entry levy.
15/1/2013	Section 126(1) of the Casino Control Act	The Casino Regulatory Authority of Singapore has imposed financial penalties totalling \$80,000 on Marina Bay Sands Pte. Ltd. (MBS) for failing to prevent 6 excluded persons from entering and/or remaining on its casino premises during the period 1 November 2011 to 30 April 2012.
15/1/2013	Section 133(1) of the Casino Control Act	The Casino Regulatory Authority of Singapore has imposed a financial penalty of \$15,000 on Marina Bay Sands Pte. Ltd. (MBS) for failing to prevent a minor from entering and/or remaining on its casino premises during the period 1 November 2011 to 30 April 2012.
15/1/2013	Section 116(1) of the Casino Control Act	The Casino Regulatory Authority of Singapore has imposed financial penalties totalling \$40,000 on Resorts World at Sentosa Pte. Ltd. (RWS) for failing to prevent Singapore citizens and permanent residents (SCPRs) from entering and/or remaining on its casino premises without valid entry levies during the period 1 November 2011 to 30 April 2012. CRA took action in respect of 4 SCPRs who had entered RWS' casino without valid entry levies and 4 SCPRs who had remained in the casino beyond the 24 hours' validity of their day entry levies.
15/1/2013	Section 126(1) of the Casino Control Act	The Casino Regulatory Authority of Singapore has imposed financial penalties totalling \$40,000 on Resorts World at Sentosa Pte. Ltd. (RWS) for failing to prevent 3 excluded persons from entering and/or remaining on its casino premises

		during the period 1 November 2011 to 30 April 2012.
15/1/2013	Section 133(1) of the Casino Control Act	The Casino Regulatory Authority of Singapore has imposed financial penalties totalling \$20,000 on Resorts World at Sentosa Pte Ltd (RWS) for failing to prevent 2 minors from entering and/or remaining on its casino premises during the period 1 November 2011 to 30 April 2012.
12/9/2012	Section 116(3) of the Casino Control Act	The Casino Regulatory Authority of Singapore has imposed a financial penalty of \$600,000 on Resorts World at Sentosa Pte. Ltd. (RWS) for partially reimbursing the annual entry levy payable by Singapore citizens and permanent residents (SCPRs). Between 1 February 2011 and 31 May 2011, RWS staff members carried out a marketing programme which gave incentives such as Universal Studios Singapore tickets, concert tickets and hotel accommodation to about 3,400 SCPRs when they purchased new annual entry levies or renewed their annual entry levies. RWS, as a casino operator, had contravened Section 116(3) of the Act (read in conjunction with Regulation 6(a) of the Entry Levy Regulations 2010), by directly or indirectly refunding, remitting or reimbursing the annual levies paid by the SCPRs.
22/8/2012	Section 116(1) of the Casino Control Act	The Casino Regulatory Authority of Singapore has imposed financial penalties totalling \$57,500 on Marina Bay Sands Pte. Ltd. (MBS) for failing to prevent Singapore citizens and permanent residents (SCPRs) from entering and/or remaining on its casino premises without valid entry levies during the period 1 May 2011 to 31 October 2011. CRA took action in respect of 10 SCPRs who had entered MBS' casino without valid entry levies and 2 SCPRs who had remained in the casino beyond the 24 hours' validity of their day entry levies.
22/8/2012	Section 126(1) of the Casino Control Act	The Casino Regulatory Authority of Singapore has imposed financial penalties totalling \$300,000 on Marina Bay Sands Pte. Ltd. (MBS) for failing to prevent 19 excluded persons from entering and/or remaining on its casino premises during the period 1 May 2011 to 31 October 2011.
22/8/2012	Regulations 20(1) and 24(1)(c) of the Casino Control (Gaming Equipment) Regulations 2009	The Casino Regulatory Authority of Singapore has censured Marina Bay Sands Pte. Ltd. (MBS) for an instance where MBS failed to display appropriate message on its progressive jackpot system on 18 October 2011.
22/8/2012	Section 116(1) of the Casino Control Act	The Casino Regulatory Authority of Singapore has imposed financial penalties totalling \$65,000 on Resorts World at Sentosa Pte. Ltd. (RWS) for failing to prevent Singapore citizens and permanent residents (SCPRs) from entering and/or remaining on its casino premises without valid entry levies during the period 1 May 2011 to 31 October 2011. CRA took action in respect of 7 SCPRs who had entered RWS' casino without valid entry levies and 6 SCPRs who had remained in the casino beyond the 24 hours' validity of their day entry levies.
22/8/2012	Section 126(1) of the Casino Control Act	The Casino Regulatory Authority of Singapore has imposed a financial penalty of \$55,000 on Resorts World at Sentosa Pte. Ltd. (RWS) for failing to prevent 4 excluded persons from entering and/or remaining on its casino premises during the period 1 May 2011 to 31 October 2011.
22/8/2012	Section 133(1) of the Casino Control Act	The Casino Regulatory Authority of Singapore has imposed financial penalties totalling \$20,000 on Resorts World at Sentosa Pte Ltd (RWS) for failing to prevent 2 minors from entering and/or remaining on its casino premises during the period 1 May 2011 to 31 October 2011. The Casino Regulatory Authority of Singapore has also separately censured RWS for 3 instances where RWS failed to prevent minors from entering and/or remaining on its casino premises during the period 1 May 2011 to 31 October 2011.
6/2/2012	Section 116(1) of the Casino	The Casino Regulatory Authority of Singapore has imposed financial penalties totalling \$65,000 on Marina Bay Sands Pte. Ltd. (MBS) for failing to prevent

	Control Act	Singapore citizens and permanent residents (SCPRs) from entering and/or remaining on its casino premises without valid entry levies during the period 28 October 2010 to 30 April 2011. CRA took action in respect of 14 SCPRs who had entered MBS' casino without valid entry levies and 2 SCPRs who had remained in the casino beyond the 24 hours' validity of their day entry levies.
6/2/2012	Section 126(1) of the Casino Control Act	The Casino Regulatory Authority of Singapore has imposed financial penalties totalling \$160,000 on Marina Bay Sands Pte. Ltd. (MBS) for failing to prevent 6 excluded persons from entering and/or remaining on its casino premises during the period 28 October 2010 to 30 April 2011.
6/2/2012	Section 133(1) of the Casino Control Act	The Casino Regulatory Authority of Singapore has imposed financial penalties totalling \$30,000 on Marina Bay Sands Pte. Ltd. (MBS) for failing to prevent 2 minors from entering and/or remaining on its casino premises during the period 28 October 2010 to 30 April 2011.
6/2/2012	Section 116(1) of the Casino Control Act	The Casino Regulatory Authority of Singapore has imposed financial penalties totalling \$40,000 on Resorts World at Sentosa Pte. Ltd. (RWS) for failing to prevent Singapore citizens and permanent residents (SCPRs) from entering and/or remaining on its casino premises without valid entry levies during the period 15 August 2010 to 30 April 2011. CRA took action in respect of 5 SCPRs who had entered RWS' casino without valid entry levies and 3 SCPRs who had remained in the casino beyond the 24 hours' validity of their day entry levies.
6/2/2012	Section 126(1) of the Casino Control Act	The Casino Regulatory Authority of Singapore has imposed a financial penalty of \$15,000 on Resorts World at Sentosa Pte. Ltd. (RWS) for failing to prevent an excluded person from entering and/or remaining on its casino premises during the period 15 August 2010 to 30 April 2011.
6/2/2012	Section 133(1) of the Casino Control Act	The Casino Regulatory Authority of Singapore has imposed financial penalties totalling \$75,000 on Resorts World at Sentosa Pte Ltd (RWS) for failing to prevent 6 minors from entering and/or remaining on its casino premises during the period 15 August 2010 to 30 April 2011. The Casino Regulatory Authority of Singapore has also separately censured RWS for 5 instances where RWS failed to prevent minors from entering and/or remaining on its casino premises during the period 15 August 2010 to 30 April 2011.
18/5/2011	Section 116(3) of the Casino Control Act	The Casino Regulatory Authority of Singapore has imposed a financial penalty of \$200,000 on Resorts World at Sentosa Pte. Ltd. (RWS) for reimbursing the entry levy payable by Singapore citizens and permanent residents (SCPRs). On 15 July 2010, a senior management staff of RWS had provided cash to SCPR media representatives for the purpose of paying for the entry levy payable by them for entry into RWS' casino premises to cover the launch of the Ladies Club. RWS, as a casino operator, has contravened section 116(3) of the Casino Control Act (read with section 117(7) of the said Act).
18/5/2011	Regulation 3(2) of the Casino Control (Surveillance) Regulations 2009	The Casino Regulatory Authority of Singapore has imposed a financial penalty of \$150,000 on Resorts World at Sentosa Pte. Ltd. (RWS) for failing to ensure that specified casino surveillance footage during the period 29 March 2010 to 2 April 2010 was retained for the period required by CRA. RWS, as a casino operator, has contravened Regulation 3(2) of the Casino Control (Surveillance) Regulations 2009.
18/5/2011	Regulation 3(2) of the Casino Control (Surveillance) Regulations 2009	The Casino Regulatory Authority of Singapore has imposed a financial penalty of \$30,000 on Resorts World at Sentosa Pte. Ltd. (RWS) for failing to ensure that specified casino surveillance footage during the period 29 March 2010 to 30 March 2010 was retained for the period required by CRA. RWS, as a casino operator, has contravened Regulation 3(2) of the Casino Control (Surveillance) Regulations 2009.
18/5/2011	Regulation 3(2) of the Casino Control (Surveillance) Regulations	The Casino Regulatory Authority of Singapore has imposed a financial penalty of \$150,000 on Resorts World at Sentosa Pte. Ltd. (RWS) for failing to have a failure notification system to provide an audible as well as visual notification of specific failures in the casino surveillance system. RWS, as a casino operator, has contravened Regulation 3(2) of the Casino Control (Surveillance) Regulations

	2009	2009.
31/12/2010	Regulation 7(1) of the Casino Control (Surveillance) Regulations 2009	The Casino Regulatory Authority of Singapore (CRA) has issued a letter of censure to Resorts World at Sentosa Pte. Ltd. (RWS) for implementing changes, between 29 March 2010 and 29 April 2010, to its casino surveillance system deviating from RWS' approved surveillance plan without first obtaining CRA's approval. RWS, as a casino operator, has contravened Regulation 7(1) of the Casino Control (Surveillance) Regulations 2009 (read with regulations 4(2) and 4(3) of the Surveillance Regulations).

Measures to Tackle Crime

To tackle casino related crime, a special police unit, the Casino Crime Investigation Branch, was set up, with between 20 and 30 staff. The unit fell under the umbrella of the Specialised Crime Division of the Criminal Investigation Department (CID) of the Singapore Police Force, and was responsible for policing forgery, counterfeiting and unlawful interference with gaming equipment.¹²⁰

The police also went on an offensive against loan sharks throughout 2009, in advance of the IRs commencing operations. As a result, the number of loansharking and harassment cases has been on a decline since 2009, while the number of persons arrested for loansharking and harassment has increased. (see **Exhibit A**¹²¹)

Exhibit A: Statistics on Loansharking activities	2009	2010	2011	2012	2013
Cases of unlicensed moneylending and harassment cases	18,649	16,834	13,342	10,840	8,306
Persons arrested for unlicensed moneylending and harassment	965	1,508	1,981	1915	1953

In 2010, there was a change in the “Moneylenders’ Act”, to further clamp down on illegal money lending activities,¹²² and to allow the Police to deal with loansharking syndicates by freezing assets of suspected king-pins, and disrupting the flow of money and resources to these organisations.¹²³ Jail terms and caning were made mandatory for loan sharks and their runners who hurt people or damage property, even for first-time offenders. Adults who use youngsters under the age of 16 for loan shark-related activities could now be jailed up to nine years, fined a maximum of \$300,000, and receive up to 12 strokes of the cane.¹²⁴

The Police also collaborated with established banks in freezing accounts and forming dedicated Anti-Unlicensed Money-lending Taskforces in every major Police division.¹²⁵

¹²⁰ Arthur Sim “New police unit for casino crimes”

<http://news.asiaone.com/News/AsiaOne%2BNews/Singapore/Story/A1Story20100527-218790.html>

¹²¹ Singapore Police Force, *Statistics, 2013-2010*, <http://www.spf.gov.sg/stats/stats2013.htm>; Parliament of Singapore, “Illegal Money Lending Cases”, April 14 2014,

http://sprs.parl.gov.sg/search/topic.jsp?currentTopicID=00006078-WA¤tPubID=00006002-WA&topicKey=00006002-WA.00006078-WA_1%2BhansardContent43a675dd-5000-42da-9fd5-40978d79310f%2B, Joyce Lim, “Fall in Loan Shark, Other criminal activities at HDB estates since CCTVs installed”, *The Straits Times*, Jan 5 2014, <http://www.straitstimes.com/breaking-news/singapore/story/fall-loan-shark-other-criminal-activities-hdb-estates-cctvs-installed> (all cited July 8 2014)

¹²² Danial Hakim “The Spectre of Loansharks”, *The Singapore Law Review*, Oct 14 2012, <http://www.singaporelawreview.org/2012/10/the-spectre-of-loansharks/> (cited May 26 2014)

¹²³ Singapore Police Force, “Loansharking Situation in Singapore”, http://www.spf.gov.sg/ahlong/uml_situation.html (cited May 26 2014)

¹²⁴ “Tighter laws on loans sharks, runners” *The New Paper*, April 29 2012, <http://news.asiaone.com/News/AsiaOne+News/Crime/Story/A1Story20120427-342501.html#sthash.htkKcnKV.dpuf> (cited May 26 2014)

¹²⁵ Danial Hakim “The Spectre of Loansharks”, *The Singapore Law Review*, Oct 14 2012, <http://www.singaporelawreview.org/2012/10/the-spectre-of-loansharks/> (cited May 26 2014)