

IN THE MATTER of the Gambling Act 2003
AND on an application by **SKYCITY
AUCKLAND LIMITED** for approval
to open overseas bank accounts

BEFORE THE GAMBLING COMMISSION

Members Present: P Chin (Chief Gambling Commissioner)
K M Ford
M M Lythe
P J Stanley
G L Reeves

Date of Application: 1 September 2006

Date of Decision: 13 October 2006

Date of Notification
of Decision: 20 October 2006

DECISION

**ON AN APPLICATION BY SKYCITY AUCKLAND LIMITED FOR APPROVAL
TO OPEN OVERSEAS BANK ACCOUNTS**

Application

1. SKYCITY Auckland Limited (the "**Applicant**") applied to the Gambling Commission (the "**Commission**") for approval, under condition 23 of its venue licence, to open six denomination accounts with the Development Bank of Singapore ("**DBS**"). All accounts would be domiciled in Singapore, for the following denominations: Singapore dollars, Hong Kong dollars, United States dollars, Australian dollars, Euros, and New Zealand dollars.

Licence condition

2. The relevant licence condition is as follows:

SCAL venue licence

23. The Licence Holder shall not open any bank account overseas to facilitate or, in connection, with the operation of the casino without the approval of the Commission.

Submissions by the Applicant

3. The Applicant stated that it presently has overseas denomination accounts with HSBC, but HSBC no longer wants to provide this type of facility. The Applicant wants to establish replacement denomination accounts and submitted that:

- (a) The new accounts would be used by international players transferring funds from their personal accounts in advance of a casino visit.
- (b) Upon arrival at the casino, the international player would be issued with chips up to the New Zealand dollar equivalent of the funds held in the Singapore account at the date of arrival.
- (c) At the time of departure, the player's win/loss position would be determined with wins credited back to the Singapore account, with losses credited to SKYCITY's bank account.
- (d) Foreign currency accounts reduce exchange rate exposure, and eliminates bad debt risk which might arise through a cheque cashing facility.
- (e) All major casinos in Australasia operate foreign currency accounts, and they represent an important component in servicing the needs of the international market.

Submissions by the Secretary

- 4. The Secretary stated that he made a number of investigations in considering this application, including contact with DBS directly, and the NZ Financial Intelligence Unit. The Secretary stated that he satisfied himself about both of DBS's integrity, and Singapore's integrity.
- 5. The Secretary also received a copy of a letter from HSBC to the Applicant, stating that HSBC was withdrawing from offering third party denomination accounts due to a changing regulatory environment and an increase in compliance costs.

Analysis

- 6. The Applicant presently has overseas denomination accounts with HSBC, having opened these in April 2001 and February 2003. These accounts will be closed later this year as a result of matters beyond the Applicant's control.
- 7. The Secretary had a number of queries regarding the application, which he was able to satisfy.
- 8. Given the nature and extent of the Secretary's investigations, the Commission was satisfied that the Applicant should be allowed to open the overseas bank accounts with DBS in Singapore for the six denominations sought, but thought it prudent to retain an ability to impose conditions on this approval, should this be necessary and appropriate in the future.

Decision

9. The Commission decided unanimously to approve the application, under condition 23 of its venue licence, and to allow the Applicant to open six denomination accounts with DBS in Singapore for Singapore dollars, Hong Kong dollars, United States dollars, Australian dollars, Euros, and New Zealand dollars. The application was granted on condition that the Commission retains an unfettered ability to add conditions to this approval.



Peter Chin
Chief Gambling Commissioner

for and on behalf of the
Gambling Commission

20 October 2006