

Abstract

This legal study investigates the regulation and business practice of gaming promoters in Macau casinos. Specifically, gaming promoters play a pivotal role in Macau's gaming industry, and a majority of the industry's revenue is generated in the junket-dominated VIP rooms; nevertheless, the opaque junket operations are fraught with industry custom and extralegal practice under Macau's gaming control system. To illustrate the opaqueness of gaming promoters, the study first reviews the history of Macau's junkets and the junket control system in Nevada and Singapore. The legal framework and business practice concerning gaming promoters will then be discussed along with a legal analysis of the junket operations in Macau casinos.

The present study seeks to evaluate the loosely-regulated junket system with a view to exploring the challenges confronting Macau's regulator and the gaming industry at large. The regulatory challenges posed by Macau's junkets include the legal setting of VIP rooms, the lack of regulation upon casino partners, VIP room contractors and subordinate agents in casinos, as well as the industry's multi-tier structure under the existing two-tier control system for casinos and junkets; in addition, the gaming debt collection in China and the possible money laundering activity in VIP rooms are likely to expose gaming promoters to criminal offences. In light of this fragmented governance, the study concludes by recommending a strengthened regulatory approach for Macau's gaming industry. The proposed four-tier regulatory approach seeks to accommodate different types of gaming actors from casino sub/concessionaires, casino partners/VIP room contractors, to gaming promoters and their subordinate agents, and these ill-defined gaming actors should be regulated at levels proportional to their business nature and operational scale.

Keywords: gaming law, gaming promoter, junket, Macau casino, VIP room, gaming credit, debt collection, money laundering

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