



C&C

Summer Legal Roundup

Part III

September 2024



Enactment of the Legal Framework for Granting Credit for Gambling in Casinos

On August 1, 2024, Law no. 7/2024, dated April 22, 2024, came into effect, establishing the Legal Framework for Granting Credit for Gambling in Casinos. This law supersedes the previous legislation on the same subject, specifically, Law No. 5/2004, dated June 14, 2004.

The enactment of Law no. 7/2024 reflects the Macau legislator's intention to comprehensively address the gaming industry, considering previous amendments to Law no. 16/2001, dated September 24, 2002 (which establishes the Legal Regime for the Operation of Games of Chance in Casinos) and, the enactment of Law no. 16/2022, dated December 19, 2022 (which provides the Rules Governing the Operation of Games of Chance in Casinos).

Under Law no. 7/2024, credit is considered granted when gaming operators (such as concessionaires) transfer ownership of casino gambling chips to a recipient without requiring immediate cash payment.

For the law mentioned above, the term 'cash' includes, amongst other things, (i) physical currency (also known as cash), (ii) cash orders, (iii) certified checks, (iv) electronic fund transfers through electronic payment instruments (e.g., credit and debit cards).

Now, the key points to consider with the implementation of Law 7/2024:

1. Capacity for Granting Credit:

- Under the provisions of Law no. 7/2024, Law no. 16/2001 (as amended by Law no. 7/2022) and Law no. 16/2022, only gaming concessionaires and, subject to requirements, gaming promoters (commonly known as “junkets”) are authorized to grant credit to patrons for gambling purposes.
- Gaming promoters must enter into representation contracts with the gaming concessionaire they collaborate with. Notably, each gaming promoter can collaborate with only one gaming concessionaire.

2. Restrictions on Management Entities:

- Management entities, the legal entities responsible for managing casinos on behalf of gaming concessionaires, are explicitly prohibited from executing representation contracts.
- Consequently, management entities cannot engage in acts related to granting credit for gambling.

3. Updates to Inspection Mechanisms, Regulatory Powers, and Sanctions in the Credit Granting Activity

- In recent developments, inspection mechanisms, regulatory powers, and the sanction/penalties regime within the credit-granting activity have undergone relevant changes. Notably, specific fines are now legally defined.
- For instance, gaming concessionaires who engage third parties to handle credit granting for gambling activities (outside the previously mentioned cases) may face fines ranging from MOP2,000,000 to MOP5,000,000.

4. Ancillary Matters

- Law no. 7/2024 also addresses ancillary matters, including labour-related ones.
- As an illustrative example, the termination of an employment relationship resulting from the loss of eligibility to grant credit will be considered a termination without just cause, initiated by the employer. This has implications for entitlement to compensation.

Conclusion

Considering the implications mentioned above, it is crucial that gaming operators—especially gaming concessionaires, promoters, management entities, and their respective staff—do not overlook or underestimate Law No. 7/2024. Notably, this legislation explicitly outlines strict rules governing the capacity to grant credit for gambling in casinos and now imposes explicit penalties on non-compliant individuals and entities.

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