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CASINO CONTROL ACT (CHAPTER 33A)

CASINO CONTROL (INTERNAL CONTROLS) REGULATIONS 2013

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In exercise of the powers conferred by sections 110B and 200 of the Casino Control Act, the Casino Regulatory Authority of Singapore, with the approval of the Minister for Home Affairs, hereby makes the following Regulations:

PART I

PRELIMINARY

Citation and commencement

1. These Regulations may be cited as the Casino Control (Internal Controls) Regulations 2013 and shall come into operation on 31st January 2013.

Definitions

2. In these Regulations, unless the context otherwise requires —

“approved internal controls”, in relation to a licensee, means the specified internal controls for the time being approved by the Authority for that licensee;

“independent officer”, in relation to a licensee, means an independent officer appointed by that licensee under regulation 3;

“internal controls” means controls, policies, procedures and processes for the operations of a casino or operations relating to casino marketing arrangements, as the case may be;

“internal controls requirements” —

- (a) in relation to a casino operator, means the internal controls requirements referred to in regulation 4; and
- (b) in relation to a licensed international market agent, means the internal controls requirements referred to in regulation 6;

“licence” means a casino licence or an international market agent licence, wherever applicable, and “licensee” means the holder of such a licence;

“licensee’s operations” means —

- (a) in relation to a casino operator, the operations of a casino; and
- (b) in relation to a licensed international market agent, the operations relating to casino marketing arrangements;

“specified internal controls” has the same meaning as in regulation 7.

PART II

INTERNAL CONTROLS REQUIREMENTS AND APPROVAL OF SPECIFIED INTERNAL CONTROLS

Appointment of independent officer

3. Every licensee or applicant for a licence shall appoint from among its employees an internal auditor or a compliance officer who is not involved in the establishment or implementation of any of its internal controls to be an independent officer for the purposes of these Regulations.

Internal controls requirements for casino operator

4.—(1) For the purposes of section 138(1) of the Act, the internal controls requirements applicable to a casino operator shall be the Internal Controls Code for Casino Operators issued by the Authority to all casino operators, as amended from time to time, subject to such modification or waiver as may be made or allowed by the Authority under paragraph (2).

(2) The Authority may, on the application of a casino operator or an applicant for a casino licence, modify or waive any provision of the Internal Controls Code for Casino Operators as it applies to that casino operator or applicant, subject to such conditions as the Authority may impose.

Licensed international market agent to implement system of internal controls

5. A licensed international market agent shall establish and implement a system of internal controls for its operations in relation to casino marketing arrangements which satisfies the internal controls requirements applicable to it.

Internal controls requirements for licensed international market agent

6.—(1) The internal controls requirements applicable to a licensed international market agent shall be the Internal Controls Code for International Market Agents issued by the Authority to all licensed international market agents, as amended from time to time, subject to such modification or waiver as may be made or allowed by the Authority under paragraph (2).

(2) The Authority may, on the application of a licensed international market agent or an applicant for an international market agent licence, modify or waive any provision of the Internal Controls Code for International Market Agents as it applies to that licensed international market agent or applicant, subject to such conditions as the Authority may impose.

Specified internal controls to be approved by Authority

7.—(1) The Authority may, by notice in writing, require a licensee or an applicant for a licence to submit to the Authority for approval of such part or parts of the licensee's or applicant's system of internal controls as the Authority may specify in the notice (referred to in these Regulations as "specified internal controls").

(2) A licensee shall not conduct or permit the conduct of the licensee's operations unless the approval of the Authority has been obtained in writing for all of the specified internal controls relating to those operations.

Approval of specified internal controls

8.—(1) A submission to the Authority for approval of the specified internal controls may be made by a licensee or by an applicant for a licence, and shall comprise the following documents:

- (a) a description of the specified internal controls in the form prescribed by the Internal Controls Code for Casino Operators or the Internal Controls Code for International Market Agents, as the case may be;
- (b) a statement by the Board of Directors of the licensee or the applicant that the specified internal controls of the licensee or the applicant, as the case may be, satisfy the internal controls requirements applicable to the licensee or the applicant if a licence is issued thereto;
- (c) a statement by an independent officer of the licensee or the applicant that —
 - (i) the specified internal controls of the licensee or the applicant, as the case may be, satisfy the internal controls requirements applicable to the licensee or the applicant if a licence is issued thereto; and
 - (ii) the licensee or the applicant has adequate systems and processes in place to implement the specified internal controls; and
- (d) such other documents as the Authority may require in that particular case to determine whether the specified internal controls satisfy the internal controls requirements applicable to the licensee or the applicant.

(2) The Authority may, on the application of a licensee or an applicant for a licence, modify or waive the requirements under paragraph (1) in any particular case.

(3) The Authority shall not approve any specified internal controls submitted by a licensee or an applicant unless it is of the opinion that the specified internal controls satisfy or will satisfy all the internal controls requirements applicable to the licensee or the applicant.

(4) The Authority may —

- (a) approve all or part of the specified internal controls submitted by a licensee or an applicant subject to such conditions as the Authority may impose; or
- (b) reject all or part of the specified internal controls submitted by a licensee or an applicant if any of the specified internal controls do not satisfy any of the internal controls requirements applicable to the licensee or applicant.

(5) A licensee shall ensure that all approved internal controls are implemented in accordance with the approval of the Authority and such conditions as may be imposed under paragraph (4)(a).

Change to approved internal controls

9.—(1) A licensee which intends to change any approved internal controls (other than a change required by the Authority under regulation 10) must apply to the Authority for approval of the proposed change at least 30 days before the effective date of the proposed change, or within such shorter period as the Authority may allow in any particular case.

(2) A submission to the Authority for approval of a proposed change to the approved internal controls shall comprise the following documents:

- (a) a description of the proposed change to the approved internal controls in the form prescribed by the Internal Controls Code for Casino Operators or the Internal Controls Code for International Market Agents, as the case may be;
- (b) a statement by the Board of Directors of the licensee that the proposed change to the approved internal controls satisfies the internal controls requirements applicable to the licensee;
- (c) a statement by an independent officer of the licensee that —
 - (i) the proposed change to the approved internal controls satisfies the internal controls requirements applicable to the licensee; and

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- (ii) the licensee has adequate systems and processes in place to implement the proposed change; and
 - (d) such other documents as the Authority may require in that particular case to determine whether the proposed change to the approved internal controls satisfies the internal controls requirements applicable to the licensee.
- (3) The Authority may, on the application of a licensee, modify or waive the requirements under paragraph (2) in any particular case.
- (4) The Authority shall not approve the change to the approved internal controls proposed by a licensee under this regulation unless it is of the opinion that the proposed change satisfies or will satisfy the internal controls requirements applicable to the licensee.
- (5) The Authority may —
- (a) approve the change to the approved internal controls proposed by a licensee under this regulation subject to such conditions as the Authority may impose; or
 - (b) reject all or part of the change to the approved internal controls proposed by a licensee under this regulation if the proposed change does not satisfy any of the internal controls requirements applicable to the licensee.
- (6) The approved internal controls of a licensee shall be amended or substituted to the extent that a submission under this regulation (including the accompanying documents and any revised internal controls) is approved by the Authority.
- (7) A licensee shall ensure that any change to its approved internal controls is implemented in accordance with the approval by the Authority under this regulation, and any conditions imposed thereon.

Amendment of internal controls requirements by Authority

10.—(1) Subject to paragraph (8), where the Authority amends any internal controls requirement, a licensee shall, within 30 days after the date it is notified of the amendment, or such longer period as the Authority may allow in any particular case, submit to the Authority for approval such proposed changes to its approved internal controls as

may be necessary to satisfy the internal controls requirements so amended by the Authority and applicable to the licensee.

(2) The Authority shall not approve the proposed changes to the approved internal controls of a licensee unless it is of the opinion that the proposed changes satisfy or will satisfy the internal controls requirements so amended by the Authority and applicable to the licensee.

(3) The Authority may —

- (a) approve all or part of the changes to the approved internal controls proposed by the licensee subject to such conditions as the Authority may impose; or
- (b) reject all or part of the changes to the approved internal controls proposed by the licensee if the proposed changes thereto do not satisfy the internal controls requirements amended by the Authority and applicable to the licensee.

(4) The approved internal controls of a licensee shall be amended or substituted to the extent that a submission under this regulation (including any accompanying document and revised internal controls) is approved by the Authority.

(5) A licensee shall ensure that the proposed changes to its approved internal controls are implemented in accordance with the approval by the Authority under this regulation, and any conditions imposed thereon.

(6) Notwithstanding paragraph (1), where a licensee considers that the amendment by the Authority to the internal controls requirements applicable to the licensee requires no change to its approved internal controls, the licensee shall, unless a modification or waiver under paragraph (7) is obtained, submit the following documents to the Authority:

- (a) a statement by the Board of Directors of the licensee that the approved internal controls of the licensee, without any change, satisfy the internal controls requirements amended by the Authority and applicable to the licensee;

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- (b) a statement by an independent officer of the licensee that —
- (i) the approved internal controls of the licensee, without any change, satisfy the internal controls requirements amended by the Authority and applicable to the licensee; and
 - (ii) the licensee has adequate systems and processes in place to implement its approved internal controls; and
- (c) such other documents or information as the licensee may consider necessary to explain why no changes are required to its approved internal controls in any particular case, notwithstanding the amendment by the Authority to the internal controls requirements applicable to the licensee.

(7) The Authority may, on the application of a licensee, modify or waive the requirement to submit any document or other information referred to in paragraph (6)(a), (b) and (c) in any particular case.

(8) The Authority may, on the basis of the documents or other information provided by the licensee under paragraph (6), allow the licensee to dispense with the submission under paragraph (1).

PART III

REGULATORY AND ENFORCEMENT POWERS

Duties of licensed special employee or licensed international market agent representative in relation to internal controls

11.—(1) A licensed special employee of a casino operator shall not —

- (a) do anything to cause the internal controls of the casino operator to fail to satisfy the internal controls requirements applicable to it;
- (b) make any change to any approved internal controls of the casino operator without the authorisation of the casino operator; or

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- (c) make, authorise or permit any change to any approved internal controls of the casino operator unless the approval of the Authority has first been obtained for the change.
- (2) A licensed international market agent representative of a licensed international market agent shall not —
- (a) do anything to cause the internal controls of the licensed international market agent to fail to satisfy the internal controls requirements applicable to it;
- (b) make any change to any approved internal controls of the licensed international market agent without the authorisation of the licensed international market agent; or
- (c) make, authorise or permit any change to any approved internal controls of the licensed international market agent unless the approval of the Authority has first been obtained for the change.
- (3) Any —
- (a) licensed special employee who contravenes paragraph (1) shall be liable to disciplinary action under section 93 of the Act; and
- (b) licensed international market agent representative who contravenes paragraph (2) shall be liable to disciplinary action under regulations 41 and 42 of the Casino Control (Casino Marketing Arrangements) Regulations 2013 (G.N. No. S 65/2013).

Power of inspector to stop game or licensee's operations until corrective action taken

12. Where an inspector knows or reasonably suspects that —
- (a) any internal controls of a licensee do not satisfy the internal controls requirements applicable to that licensee; or
- (b) any specified internal controls of a licensee are not implemented in accordance with the approved internal controls of that licensee,

the inspector may stop any game or any part of the licensee's operations, which, in the inspector's opinion has been, or may be, compromised or adversely affected by the deficiency until the inspector is satisfied that the necessary corrective action with respect to the licensee's internal controls has been taken.

Power to give directions and take disciplinary action

13.—(1) If the Authority is of the opinion that any licensee —

- (a) has implemented its specified internal controls other than in accordance with its approved internal controls;
- (b) has made any change to its approved internal controls without first obtaining the approval of the Authority for the change in accordance with these Regulations; or
- (c) is required to take specific action in order to satisfy any internal controls requirement applicable to the licensee,

the Authority may give the licensee such written directions concerning the licensee's internal controls as the Authority thinks fit, including —

- (i) in a case where the specified internal controls as implemented nevertheless satisfy the internal controls requirements applicable to the licensee, a direction to apply for approval of the change to the licensee's approved internal controls under regulation 9 without delay;
- (ii) in a case where the specified internal controls as implemented fail to satisfy the internal controls requirements applicable to the licensee, a direction to restore the approved internal controls without delay; or
- (iii) a direction specifying the action or actions required to be taken to satisfy the internal controls requirements applicable to the licensee.

(2) Without prejudice to the right of the Authority to give directions under paragraph (1), any licensee which —

- (a) contravenes regulation 3, 5, 7(2), 8(5), 9(1) or (7) or 10(1) or (5); or

(b) fails to comply with a direction given by the Authority under paragraph (1),
shall be liable to disciplinary action under section 54 of the Act or under regulations 40 and 42 of the Casino Control (Casino Marketing Arrangements) Regulations 2013 (G.N. No. S 65/2013), as the case may be.

Made this 30th day of January 2013.

RICHARD MAGNUS
Chairman,
Casino Regulatory Authority of
Singapore.

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