

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Budget Estimates

1 June – 3 June 2010

Question: BET 331

Topic: Online Betting

Hansard Page: Written

Senator EGGLESTON asked:

What is the justification for preventing online betting agencies offer books on interest rate movements and other financials?

Answer:

- a) In March of this year ASIC became aware that Centrebet was to commence offering bets based on the closing price of the ASX S&P 200 Index. ASIC internal legal advice was that these bets were derivatives under the Corporations Act (s761D). Because of the similarity between this "bet " and products offered by AFSL holders we decided to inform Centrebet that they may need an AFSL. In the course of our analysis in this regard we formed a view that bets offered by Centrebet on interest rates were also bets with a financial purpose and may also be derivatives and hence we included this in our communications.
- b) ASIC has indicated through the media that companies offering these financial purpose bets need to seek their own legal counsel having regard to the particulars of the products that they offer.
- c) ASIC will consult with Treasury about any further action to be taken.

ENDS