



PROXY BETTING

Cambodia mulls proxy and online regulations à la philippin



CAMBODIA

With a number of the country's smaller operators looking to proxy betting as a means to augment their revenues, could Cambodia be looking to adopt a regulatory model based on the Philippines or the Bahamas as part of its new gaming legislation?

Without access to local VIPs and with only trickling income provided by mass players, Cambodia's myriad small-scale operators have turned to unregulated proxy betting and off-shore online wagers.

While currently untaxed, these offshore revenues—largely derived from China, where streaming gambling is illegal—give the government a strong incentive to start regulating and collecting receipts.

But it appears the country's legislators are still undecided on the matter. As they weigh up a variety of interests—including the impact on relations with a certain neighbouring hegemon—it is still unclear whether the forthcoming gaming bill will make provisions for online gambling regulation.

For IGamiX's Ben Lee, there are two ways Cambodia can approach its online gam-

ing and proxy betting sectors.

Firstly they could follow the Bahamian model, and officially introduce regulation for both online and proxy. Lee was one of two people to help educate and draft proposals for the Bahamian government regarding these two sectors. "It's now law in the Bahamas," he says. "It's the only country I know of that has officially licensed proxy betting".

Meanwhile, the Philippines offers the only regional example of licensing offshore online gaming, which has been successful. But in proxy betting, regulators have adopted a see-no-evil approach.

"In the typical Philippine fashion, they are allowing casinos to video stream [table games] as part of their customer service. And they accept the fact that the proxy sitting at the table is the player."

"So much for KYC," he adds. "They're not interested in finding out who the final player is." The benefit of ignorance is that if China was to complain, they can plausibly deny their involvement.

"So Cambodia could do something like that. I know their people have been to

Manila a few times and they've been approached by some of the Philippine operators and licensors like First Cagayan."

First Cagayan, a private company awarded the right to issue franchises to offshore operators in the Philippines, is now looking for business, after losing many of its licensees this year to its rival Pagcor.

"Pagcor has cut their feet from under them," says Lee. "They lost a lot of their franchisees to Pagcor, who have recently started issuing POGO licences. So they are now looking for other jurisdictions".

Lee reports that First Cagayan's president has recently been to Cambodia, to talk about playing a similar role of issuing licences there. But notes that the Cambodians are themselves still very much undecided about how to deal with their remote gaming residents.

"There is always this push and pull between leaving it in the shadowy areas so that people can make money out of it—and starting to regulate," Lee concludes. "Once you regulate it, those people can't make money out of it any more, but then it's the government that actually enjoys the receipts."