

## Changes to Singapore's Gambling Laws Now in Effect – Effects on Businesses

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Singapore's [Gambling Control Act 2022](#) and [Gambling Regulatory Authority of Singapore Act 2022](#) are now in effect as of August 1. These two laws overhaul the gambling industry in Singapore by creating a single Gambling Regulatory Agency (GRA), legalizing social gambling, and introducing new offences to combat proxy gambling and underage gambling, among many other changes. Given the wide scope of the new laws, companies outside of the gaming industry may find that some their operations could now be subject to GRA regulations.



### 1. Redefinition of Gambling

Under the Gambling Control Act (GCA), playing a 'game of chance' for a prize, regardless of whether the player risks losing anything at the game, qualifies as gambling.<sup>1</sup> While the usual definition of 'game of chance' may bring to mind activities such as card games or coin flipping, the GCA expands this definition to also include games involving elements of chance and skill, even if the element of chance can be eliminated by one's skill. Therefore, sports such as snooker or darts, or competitive video games with random elements, may constitute gambling under the GCA if played for a prize. However, the government may exempt certain sporting events, games or competitions in the gazette and explicitly declare them to not be games of chance for the purposes of the GCA.

Furthermore, gambling under the GCA also includes lotteries, which are defined as the distribution of prizes dependant, at any stage of the arrangement, on an element of chance, even if the arrangement may also involve an element of skill. Under the new law, lucky draws, raffles, and sweepstakes are now considered types of gambling, even if the participants do not have to pay to enter.<sup>2</sup> Rewarding customers for buying goods and services by allowing them to enter a raffle would also qualify as a type of lottery.<sup>3</sup>

### 2. Legalization of Social Gambling

The GCA now recognizes social gambling as a legal activity requiring no prior authorization. Social gambling refers to spontaneous gambling activities that are conducted by individuals at their homes with people who are friends or family.<sup>4</sup> Because social gambling cannot be conducted for the private gain of any person not participating in the activity or for business purposes, companies may not rely upon the social gambling exception to justify their gambling activities.

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<sup>1</sup> Section 7(6) of the GCA 2022.

<sup>2</sup> Section 9(1) of the GCA 2022.

<sup>3</sup> Section 9(2) of the GCA 2022.

<sup>4</sup> Section 12(1) of the GCA 2022.



### 3. Introduction of Class Licenses

Normally, to operate a gambling operation such as a game of chance or lottery, the operator must hold a gambling license from the Gambling Regulatory Authority. Applying for a gambling license is a lengthy process, but businesses without a gambling license may operate lower-risk gambling services provided that the service fall under a category specified by a ‘class license.’<sup>5</sup>

Given the broad definition of gambling shown above, the class licencing rules are meant to regulate businesses offering promotions or services involving elements of chance without requiring them to first obtain a gambling license. Individual operators do not have to apply for a class license but must follow all attached conditions and regulations. The class license’s conditions, may include, but are not limited to, the number of bets or tickets to be offered, limitations on prizes, the frequency in which a business may offer the gambling service, necessary records, and rules regarding advertising.<sup>6</sup> Failure to follow these conditions may result in an operator losing the ability to operate under the class license.

### 4. What Class Licenses are Available?

Currently, class licenses for the following activities have been published by the GRA. Those seeking to organize an activity under class license must ensure that they fulfill the conditions set by the license before starting their activity.

- Mystery Boxes – Boxes sold to customers containing unknown items, such as Japanese *gacha* toys.
- Remote Games of Chance – Online games with chance-based elements in which players can earn prizes of value. These include ‘loot boxes’ in online games.
- Promotional Lotteries and Games of Chance – Lotteries and games to promote a business’s goods or services. Businesses may not collect any money from participants.
- Incidental Lotteries and Games of Chance – Lotteries and games offered as incidental activities at events such as fairs or galas. Participation in these activities must be free and limited to event participants.
- Fund-Raising Lotteries – Lotteries conducted to raise funds for certain specified charities.
- Other Lotteries and Games of Chance – These include lotteries and games of chance organized by public bodies to promote agency objectives and activities run by educational institutions or businesses to encourage participation in research and survey projects.

### 5. What Precautions Should Businesses Take Under the New Gambling Laws?

Generally, any promotion, service or activity involving elements of chance or randomness will be considered a form of gambling under the GCA. Companies operating such campaigns should check to ensure that their operations fall under one of the class licenses published by the GRA. While the currently available class licenses should likely cover most potential situations, businesses should ensure that they follow the exact details mandated by each class license, such as limits on prizes and advertising. Currently, few details regarding these conditions are available on the [GRA website](#), but it is likely that more

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<sup>5</sup> Section 60(1) of the GCA 2022.

<sup>6</sup> Section 62(1) of the GCA 2022.

information will become available in the coming months. Until then, businesses unsure of whether their activities are in compliance with their desired class license should directly contact the GRA.

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