

Friday 4 September 2015

APPROVAL FOR GENTING TO INCREASE STAKE IN ECHO ENTERTAINMENT

The Independent Liquor & Gaming Authority has approved an application by Genting Hong Kong Limited (Genting HK) to increase its shareholding stake in Echo Entertainment Group Limited to a maximum of 23%.

The Authority has considered the application under the Casino Control Act on the basis that, if approved, it would result in Genting HK and relevant individuals and entities connected to or associated with it to become “close associates” of the Sydney casino operator, The Star Pty Ltd.

Under the Act, the Authority is not to grant approval to a person becoming a close associate unless it is satisfied that the person is a suitable person to be associated with the management of The Star.

This is to ensure the ownership, finances, management and operations of The Star remain stable, financially viable and successful; it remains free from criminal influence, exploitation and undesirable or unsatisfactory financial sources; and the potential of The Star to cause harm to the public interest is contained and appropriately regulated.

Accordingly, the Authority’s investigations extended beyond Genting HK and upstream close associates to relevant entities and individuals considered to be business associates, including in foreign jurisdictions.

In granting the approval, the Authority has considered a wide range of material including submissions, the Authority’s probity investigations of entities and individuals (including enquiries of overseas and local law enforcement agencies and gaming regulators), and legal, accounting, financial and process advice.

The Authority notes that consideration of the Genting HK application has taken considerably longer than the Authority had expected.

This was due, first, to delays in Genting HK providing information to the Authority and, second, to Genting HK making significant new investments in jurisdictions where the Authority had little background knowledge, requiring on several occasions the commencement of new lines of investigation.

The Authority at all times worked to bring the investigation to a conclusion as soon as it was in a position to do so.

The Authority’s full statement is available on its website at <http://www.ilga.nsw.gov.au/casino/reviews-investigations>