

Arrest of Macau's junket mogul rattles the world's largest gambling hub

The arrest of Macau's junket mogul is expected to shrink business in the world's largest gambling hub, with authorities in China this week underlining their intent to crack down on what they see as a dangerous outflow of funds from the mainland.

Alvin Chau, the CEO of gambling group Suncity Group Holdings Ltd and founder of the biggest of Macau's junket operators that bring in high rollers to play at casinos, was arrested on Sunday by Macau authorities over alleged links to cross-border gambling. A warrant for his arrest has also been issued in China.

His arrest, analysts say, has ushered in a new era - one of zero tolerance towards the promotion of gambling in China where all forms of gambling are illegal. It has also dealt a heavy blow to the junket industry, that will further erode Macau's reliance on high rollers and accelerate an industry shift to the mass market.

The crackdown on Suncity has direct implications for casino marketing staff, who do similar work to junkets in promoting Macau gambling to clients in mainland China.

Cross-border flows of money due to gambling have long irked the Chinese government, and Macau authorities said their investigation has been in train for two years.

Macau authorities accused Chau and 10 others of using the former Portuguese colony as a base for an illegal "live web betting platform" in the Philippines that attracted mainland Chinese.

Authorities in the eastern Chinese city of Wenzhou have separately accused Chau of forming a junket agent network that helps citizens engage in offshore and cross-border gambling activities and setting up a company that helps gamblers make cross-border fund transfers.



Suncity Group - which has a broad range of interests in the gambling sector but does not include Chau's junket operations - said Chau, who is both CEO and chairman, intended to resign.

Part of the Macau investigation involves Russia's Tigre de Cristal resort which is close to China's northeast border and is controlled by Summit Ascent Holdings which in turn counts Suncity as its controlling shareholder

Suncity Group said allegations in the media that Tigre de Cristal was involved in cross-border gaming because it had solicited customers in mainland China were untrue.

Source: Investing.com

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