



AMENDMENTS TO AUSTRALIAN RULES OF RACING

Secret Commissions

Summary:

Recent cases of fraudulent behaviour have highlighted the issue of secret commissions in racing.

The new rule applies to all those involved in the selling and trading of Thoroughbreds.

1. Add AR.28 as follows:

“AR.28.

1. This rule applies to:
 - (a) any person bound by these Rules (**person**); and
 - (b) any Named Horse or Unnamed Horse (for the purpose of this rule, “relevant horse”).
2. Any person who is in any way party to or involved in the sale of a relevant horse, must not, directly or indirectly:
 - (a) seek or solicit from any person for himself or herself or for any other person any benefit;
 - (b) receive for himself or herself or for any other person or entity any benefit,

unless the person has first:

- (i) fully disclosed, in writing, to the registered owner(s) of the relevant horse that the person:
 - A. will be seeking or soliciting for himself or herself or for any other person a benefit;
 - B. will receive for himself or herself or for any other person a benefit; and
 - (ii) obtained the written consent of more than 75% of the registered ownership to seek or solicit, and/or to receive, the benefit.
3. Any person who is in any way party to or involved in the purchase of a relevant horse, must not, directly or indirectly:
 - (a) seek or solicit from any person for himself or herself or for any other person any benefit;
 - (b) receive for himself or herself or for any other person or entity any benefit;

- (c) offer to provide, or provide, to any vendor of the relevant horse, or to any other person (including a person acting, or purporting to act, on behalf of the vendor), any benefit in connection with the sale of the horse;

unless the person has first:

- (i) fully disclosed, in writing, to the prospective purchaser(s) of the relevant horse that the person will:
- A. be seeking or soliciting for himself or herself or for any other person a benefit;
 - B. receive for himself or herself or for any other person a benefit;
 - C. be offering to provide to any vendor of the relevant horse, or to any other person (including a person acting, or purporting to act, on behalf of the vendor), a benefit in connection with the sale of the horse; and
- (ii) obtained the written consent of more than 75% of the prospective purchasers to seek or solicit, to receive and/or to provide, the benefit.

4. Where, in the course of one transaction, a person acts, or purports to act, on behalf of both:
- (a) a registered owner (or owners) of a relevant horse in connection with the sale of a relevant horse; and
 - (b) a purchaser (or purchasers) of a relevant horse in connection with the purchase of the same relevant horse,

that person must comply with the provisions of both sub-rules (2) and (3).

5. For the purpose of the consent required by AR.28(2)(ii) and AR.28(3)(ii), consent shall be deemed to have been given by a person where that person fails to provide reasonable notice of dissent in writing within 72 hours of receiving the written disclosure pursuant to AR.28(2)(a)(i) or AR.28(3)(i).
6. For the purpose of this rule:
- (a) “benefit” includes any valuable consideration, rebate, commission, gratuity, profit, fee, benefit or payment of any kind, whether direct or indirect, and to be provided at any time;
 - (b) a reference to the sale and/or purchase of a relevant horse includes the sale or purchase of a share or beneficial interest in that horse.
7. The purchase price of a relevant horse must be disclosed on the relevant Transfer of Ownership form lodged with the relevant Principal Racing Authority, with such disclosure being made on the Transfer of Ownership form prior to any of the outgoing or incoming owners signing that form.
8. The Principal Racing Authority (or in the case of Tasracing, the delegated Stewards) may, at any time, require any person who is party to or involved, directly or indirectly, in the sale or purchase of a relevant horse to provide full details as they may require of such sale including, without limitation, the purchase price and any benefits.
9. Any person who refuses or fails to comply with any requirement of this rule may be penalised.”

Date of Effect: 1 January 2017 except for Western Australia where the date of effect is 1 February 2017