

Provincial Gazette

Free State Province

Published by Authority



Provinsiale Koerant

Provinsie Vrystaat

Uitgegee op Gesag

SPECIAL

NO. 14	FRIDAY, 17 MAY 2013	NO. 14	VRYDAG, 17 MEI 2013
<p style="text-align: center;">NOTICE</p> <p>FREE STATE GAMBLING AND LIQUOR AUTHORITY</p> <p>FREE STATE GAMBLING AND LIQUOR AUTHORITY LIMITED GAMBLING MACHINE RULES 2</p>			

FREE STATE GAMBLING AND LIQUOR AUTHORITY (FSGLA)

[Established i.t.o. the Free State Gambling and Liquor Act 6 of 2010, Section 4(1)]

NOTICE IN TERMS OF

THE FREE STATE GAMBLING AND LIQUOR ACT NO. 6 OF 2010, AS AMENDED
("THE ACT")

LIMITED GAMBLING MACHINE RULES

1. The Free State Gambling and Liquor Authority under section 134 of the Free State Gambling and Liquor Act, 2010 (Act 6 of 2010), as amended, hereby publishes its Limited Gambling Machines ("LPM's) Rules as set out in the attached schedule, to be operational with immediate effect. **These Rules shall replace the Limited Gambling Machine Rules issued on 22 August 2008 in terms of the repealed Free State Gambling and Racing Act, 1996 (Act 6 of 1996).**
2. These Rules were published for comments in the Special Provincial Gazette number 10 dated 14 May 2012.

Issued by Ms Matilda Gasela
Chief Executive Officer
Free State Gambling and Liquor Authority
Number 36, First Avenue, Westdene, Bloemfontein

NOTICE

Now known as

FREE STATE GAMBLING AND LIQUOR AUTHORITY

In terms of section 134 of the Free State Gambling and Liquor Act, 2010(No 6 of 2010 as amended), the Free State Gambling and Liquor Authority hereby makes the following Rules –

FREE STATE GAMBLING AND LIQUOR AUTHORITY LIMITED GAMBLING MACHINE RULES

CHAPTER 1

DEFINITIONS

1.1 Definitions

Any word or expression used in these Rules which is defined in the Act or the Regulations made in terms thereof, shall have the meaning ascribed to it in the Act or Regulations, unless it is otherwise defined in these Rules or the context indicates otherwise. In these Rules, unless the context indicates otherwise –

Act	means the Free State Gambling and Liquor Act, 2010 (Act no 6 of 2010);
Authorised	means authorised in terms of the Act or ICS;
Authority	means the Free State Gambling and Liquor Authority;
Bet	means the amount of credits risked or staked by a player at the commencement or during a gambling game;
Cash	means a physical coin, note, token, ticket, other thing of value, magnetic or smart card or any other representation of money, used directly or indirectly in the gambling environment;
CEMS	means the Central Electronic Monitoring System, as contemplated in terms of section 27 of the National Gambling Act.
CEMS operator	means an entity operating the CEMS and established in terms of section 27 of the National Gambling Act;
Credits	means the number of betting units standing to the credit of a player displayed on the credit meter of an LPM;
Data collection	means the successful transfer of LPM soft meter and significant event information from an SDL to the CEMS database;
Designated Area	means the area within an LPM site where LPM's are authorised to be exposed for play in terms of the approved floor plan;
Dispute	means any unresolved disagreement between a patron and the holder of an LPM operator licence, CEMS operator licence or an LPM site licence relating to a gambling-related procedure, the outcome of a gambling game or the payment of winnings alleged to be due;
Double-up	means a gambling option whereby a player may, during a game, risk a previous win, bet or a portion thereof on the selection of a further outcome;

Employee card	means a card issued to a licensed or registered employee for use on a single site which – <ul style="list-style-type: none"> a) reflects the identifying details of the employee in whose name it has been issued and the name of the site on which it may be used; b) upon insertion thereof into the SKP, activates the LPM's on the site; c) via the SDL, is interfaced with the CEMS, which upon insertion and removal of the employee card into the SKP, records the identity of the relevant employee, and d) may be used only by the registered employee and only on the licenced site in respect of which it has been issued and named on the face thereof;
Fair Play	means the conduct of a gambling game in compliance with all procedures and rules approved for such gambling game;
Gambling-Related	means having, in the view of the Authority or of a licence holder, a direct or indirect influence on gambling tax or fair play;
Handle	means the total rand value of all credits bet on an LPM within a specified period;
ICS	means the approved internal control standards of the holder of an LPM operator licence containing the gambling-related provisions prescribed by the Act or required by the Authority and includes, without limitation, all gambling-related policies, operating, administrative and accounting procedures and standards to be adhered to by the LPM operator or on a licensed site;
Incompatible Function	means a function which places any employee or department in a position both to commit an error or irregularity or to perpetrate a fraud and to conceal such error, irregularity or fraud. Employees may be considered to have incompatible functions if such employees are members of separate departments that are not supervised independently of one another;
Independent Site Operator	means a site operator who is not linked to an LPM operator and is licensed to own and operate LPM site licences on a single site and is responsible for maintaining LPM site licences effecting the collection of money and paying the provincial taxes and levies in respect of any LPM site licences under its licence;
Journal entry	means any alteration made to gambling-related computerised records;
Key employee	means the holder of a key employee licence, duly authorised to operate LPM's and responsible for the supervision of the gambling employees and the gambling activities;
Licensed Employee	means the holder of a key or gambling employee licence contemplated in the Act;
LPM	means a gambling machine outside of a casino in respect of which the stakes and prizes are limited as prescribed by the National Gambling Regulations; and "Limited Gambling Machine" shall have a corresponding meaning;
LPM game	means a limited pay-out machine game as contemplated in Regulation 1 of the National Regulations and "Limited Gambling Machine Game" shall have a corresponding meaning;
LPM Drop	means the cash or cash equivalent cleared from an LPM for count purposes and "Limited gambling machine drop" shall have a corresponding meaning;
LPM Operator	means a Limited Gambling Machine Operator licenced in terms of Section 72 of the Act, and the term "Route Operator" shall have a corresponding meaning;
LPM Site	means a licensed premises on which LPM's may be exposed for play in terms of section 73 of the Act, and the term "Limited Gambling Machine Site" or "LPM Premises" shall have a corresponding meaning.
LPM Site Operator	means a Limited Gambling Machine Site Operator licenced in terms of Section 73 of the Act and the term "Site Operator" shall have a corresponding meaning;

LOC	means a letter of certification issued by the SABS, certifying that a device or equipment complies with the national norms and standards applicable thereto.
Logic Area	means a secure cabinet within an LPM that houses the master processing unit and electronic components having the potential to influence the outcome of the game or the communication between the Limited gambling machine site licences and the CEMS.
Manufacturer	means the holder of a licence specified in section 75 of the Act.
Multi-game Software	means gaming software that offers more than one game on a single LPM .
National Act	means the National Gambling Act, 2004 (Act No. 7 of 2004);
National Gambling Regulations	means the National Regulations on Limited Pay-out Machines promulgated in terms of the National Gambling Act; and National Regulations shall have a corresponding meaning;
Operating hours	means all hours during which LPM's are exposed for play;
Premises owner key	means a natural person, duly authorised to represent the owner of a primary business which has entered into an agreement with an LPM employee Operator to expose LPM's for play on business premises licensed in terms of section 73 of the Act, and licensed as a key employee by the Authority;
Progressive Jackpot	means an amount advertised and payable for a winning combination of numbers, playing cards, symbols, pictures, figures, events or similar representations capable of being generated by an LPM or the CEMS, with a payout that increases automatically over time or as the machine or game is played;
Public Area	means any area to which the public has unrestricted access;
LPM RAM	means Random Access Memory;
Registered	means a person employed by the holder of an Employee LPM Site licence and registered to perform gambling-related activities on n LPM Premises.
RTP %	means return to player percentage in respect of LPM's , which is calculated by dividing the total win by the total handle;
SABS	means the South African Bureau of Standards;
Significant events	means a set of predetermined operational conditions recorded by the CEMS for LPM's during a game, during idle mode or during data interchange with another gaming device;
SDL	means a Site Data Logger, which is a device or other intermediate data collector for the CEMS situated on an LPM site that collects, stores and sends data;
SKP	means a Smart Keypad, which is an input device located on the LPM site, which connects to the SDL and is used to convey instructions to the SDL;

- Smart Card** means an integrated electronic circuit card issued to a patron for use on an LPM as an instrument by means of which –
- funds are deposited by such a patron to the credit of such card;
 - funds standing to the credit of such card are withdrawn or redeemed by such patron, or
 - gambling transactions are conducted by such patron against funds standing to the credit of such card.
- Smart keypad** means an input device located on an LPM site used to convey instructions to the SDL.
- Token** means a token redeemable for specified cash amount and issued or sold by a licence holder to patrons for use when gambling.
- Win** means the total rand value of coins, tokens and credits won on an LPM exposed for play.

CHAPTER II

ORGANISATIONAL STRUCTURE, JOBS COMPENDIUM AND INTERNAL CONTROL STANDARDS (“ICS”)

2.1 Organisational structure

- (1) The LPM operator shall develop, implement and maintain an organisational structure diagram reflecting the –
- executive management of the organisation, each of its departments and functions;
 - segregation of incompatible functions into different departments and functions;
 - direct and indirect lines of authority within the organisation, departments and functions, including the LPM sites, and
 - titles of each position within the organisation and mandatory departments and functions.
- (2) The holder of an LPM operator licence shall not commence any gambling or gambling-related activities prior to the approval of its organisational structure by the Authority.
- (3) The holder of an LPM operator licence shall not amend or implement any amendments to its approved organisational structure without the prior written approval of the Authority.

2.2 Jobs compendiums

- (1) The holder of an LPM operator licence shall prepare and maintain a jobs compendium that complies with the provisions of this Chapter in respect of all personnel and LPM site employees engaged in gambling and gambling-related activities.
- (2) A jobs compendium shall comprise –
- a description of each job, reflected on a separate page, organised by department or function, including –
 - the position title and the department or division under which it falls;
 - the position titles of the relevant employee's head of the department, immediate supervisor and subordinates; the duties, responsibilities, authority and the limitations in respect of the relevant job; and
 - the duties, responsibilities, authority and the limitations in respect of the relevant job; and
 - where registration is required in respect of the relevant position, the category of registration required to be issued,

- (3) The jobs compendium shall –
- (a) clearly reflect the segregation of incompatible operational functions –
 - (i) into different departments, and
 - (ii) between the LPM operator and LPM sites, specifying the duties of each such department and function;
 - (b) illustrate by position title, the direct and indirect lines of authority within the operation, clearly reflecting a chain of command in terms of which management and supervisory personnel are held accountable for actions or omissions within their areas of responsibility;
 - (c) reflect primary and secondary supervisory positions, where applicable, within the organisational structures and the operational functions contemplated in paragraph (a), so as to ensure the continuous authorisation or supervision of all gambling and gambling-related transactions at all relevant times, and
 - (d) reflect the division of responsibility and accountability so as to ensure that no area of responsibility or accountability is so extensive that it becomes impractical for one employee to monitor or control.
- (4) The holder of an LPM operator licence shall not commence any gambling or gambling-related activities prior to the approval of its jobs compendium by the Authority.
- (5) The holder of an LPM operator licence shall not amend or implement any amendments to its approved jobs compendium without the prior written approval of the Authority.

2.3 Mandatory Departments

- (1) The holder of an LPM operator licence's organisational structure and jobs compendium shall provide for the following independent mandatory departments providing for the following categories of staff –
- (a) in its Technical Department –
 - (i) LPM Technicians, who shall install and maintain LPM's and SDL's and perform such other functions as are prescribed by the Rules and the LPM operator's ICS, and
 - (ii) an LPM Technical Manager, who shall –
 - (aa) supervise and manage the overall operation of the Technical Department, and
 - (bb) ensure that the structure and operation of the Technical Department complies with the LPM operator's ICS and the Act;
 - (b) in its Administration Department –
 - (i) Administration Clerks, who shall –
 - (aa) ensure that gambling-related financial information, including the compilation of weekly tax returns, is accurate and reliable, and
 - (bb) perform such other functions as are prescribed by the Rules and the LPM operator's ICS, and
 - (ii) an Administration Manager, who shall –
 - (aa) supervise and manage the overall operation of the Administration Department, and participate in the appointment and termination of employment of all administrative employees, and
 - (bb) ensure that the structure and operation of the Administration Department complies with the LPM operator's ICS and the Act;
 - (c) in its Compliance Department –
 - (i) Compliance Officers, who shall –
 - (aa) monitor, audit and report on compliance with the LPM operator's ICS and the Act, and
 - (bb) perform such other functions as are prescribed by the Rules and the LPM operator's ICS, and

- (ii) a Compliance Manager, who shall –
 - (aa) supervise and manage the overall operation of the Compliance Department, and
 - (bb) ensure that the structure and operation of the Compliance Department complies with the LPM operator's ICS and the Act.
- (2) The Authority may approve the combination of certain categories of employees, functions or departments if the LPM operator is able to demonstrate that there are no incompatible functions and that the proper conduct and effective supervision and control of gambling and gambling-related activities will not be prejudiced thereby.
- (3) The LPM operator may not outsource any of the functions assigned to its employees in terms of the LPM operator's ICS and/or the Act without the prior written approval of the Authority.
- (4) The LPM operator shall at all times maintain its level of staffing in a manner which ensures the proper operation and effective supervision of all gambling and gambling-related activities.
- (5) The Authority may order the LPM operator to utilise higher levels of staffing if, in the opinion of the Authority, it is necessary for the proper conduct and effective supervision and control of any gambling-related activity.
- (6) No person shall simultaneously perform incompatible gambling-related functions allocated to more than one position without the prior written approval of the Authority.
- (7) The LPM operator shall ensure that only adequately trained and experienced employees are utilised in the positions reflected in the organisational structure.
- (8) This Rule does not preclude the LPM operator from utilising additional categories of employees or the Authority from ordering the LPM operator to utilise additional categories of employees where it deems this necessary for the proper conduct and effective supervision and control of any gambling-related activity.

2.4 LPM Sites

- (1) Licenced or registered employees shall be appointed on each LPM site, who shall during all operating hours –
 - (a) supervise gambling and gambling-related activities;
 - (b) ensure that all gambling and gambling-related activities are conducted in accordance with the Act and the LPM operator's ICS;
 - (c) ensure the proper functioning of Limited gambling machine site licences, insofar as prescribed by the Act and the LPM operator's ICS, and
 - (d) attend to patron disputes.

2.5 Internal audit

- (1) The LPM operator shall appoint an independent internal auditor to perform the internal audit function prescribed by this Rule.
- (2) The internal audit function shall comprise –
 - (a) the review and evaluation, at least on six-monthly basis, of the LPM operator's –
 - (i) ICS in order to determine the effectiveness and adequacy thereof, and
 - (ii) fulfilment of its bid commitments;
 - (b) on a six-monthly basis –
 - (i) an assessment of the LPM operator's compliance with its ICS and the Act;
 - (ii) an assessment of the effectiveness and adequacy of the day-to-day gambling-related operations of the Technical, Administration and Compliance Departments;
 - (iii) the review of an operational risk profile in respect of the mandatory departments;

- (iv) a determination of whether the gambling and gambling-related financial and operating information is accurate, current, timorously generated, complete, valid and reliable, including the reconciliation of such information with tax returns submitted to the Authority;
 - (v) a determination of whether all gambling-related taxes are current and accurate;
 - (vi) an assessment of the integrity, adequacy, accuracy and reliability of all gambling-related information and systems, and
 - (vii) to the degree required by the circumstances, an assessment of the LPM operator's compliance with any operational conditions of the licence imposed by the Authority.
- (3) Where the LPM operator utilises an external auditing company to perform the internal audit function, such company may not also perform the external audit function.
- (4) The head of the internal audit function shall report directly to the board of directors of the LPM operator or to a committee of the board of directors.
- (5) The LPM operator must ensure that the persons responsible for the performance of the internal audit function submit and present an internal audit report to the Office of the Authority within 28 days of the compilation of each six-monthly audit report.
- (6) The internal audit report contemplated in sub-rule (5) shall address –
- (a) any contravention of the LPM operator's ICS or the Act revealed by the audit;
 - (b) all the areas of responsibilities referred to in sub-rule (2)(a) and (b), and
 - (c) any weaknesses in the LPM operator's ICS or the Act revealed by the audit.
- (7) In addition to the provisions of sub-rule (6), additional internal audit reports shall be submitted to the Authority relating to –
- (a) gambling and gambling-related operations and activities, and
 - (b) instances of possible non-compliance with the provisions of the LPM operator's ICS or the Act revealed by an audit
- within 14 days of the compilation of such reports.
- (8) The Authority may approve different reporting lines to those prescribed in sub-rule (4) above, upon demonstration by the LPM operator that there are no incompatible functions.
- (9) All reports shall be in writing and shall be kept for a period of at least two (2) years for Authority inspection.

2.6 ICS

- (1) Every LPM operator shall develop, implement and maintain a written ICS to ensure –
- (a) the integrity of its gambling operation;
 - (b) that adequate controls are in place to effectively manage and minimise gambling-related risks;
 - (c) that gambling-related devices, documents and information are properly controlled and safeguarded;
 - (d) that financial and other gambling-related records are accurate and reliable;
 - (e) that gambling-related transactions are performed with the necessary authorisation;
 - (f) that gambling-related transactions are recorded in sufficient detail;
 - (g) the proper reporting of gambling revenue, taxes and other fees due; and
 - (h) that gambling-related functions, duties and responsibilities are appropriately segregated and performed in accordance with sound practices by competent and appropriately qualified employees.
- (2) The LPM operator's ICS shall contain only those procedures and provisions required in terms of the Act and such further procedures and provisions as the Authority may from time to time determine.
- (3) The LPM operator shall not commence any gambling or gambling-related activities prior to the approval of its ICS by the Authority.
- (4) The LPM operator shall not amend its ICS or implement any new or revised policies, procedures or standards contained or required to be contained in its ICS without the prior written approval of the Authority.

-
- (5) The LPM operator shall submit amendments to its approved ICS in the manner and format determined by the Authority.
 - (6) The Authority may order the LPM operator to amend its ICS if in the opinion of the Authority it does not comply with the requirements of sub-rule (1).
 - (7) The LPM operator shall conduct its operations in terms of its ICS.
 - (8) If the LPM operator contravenes any provision or procedure of its ICS or omits to amend its ICS within 28 days of receiving an order from the Authority to do so, such contravention or omission shall be deemed to be a contravention of these Rules.
 - (9) The ICS shall clearly distinguish between the LPM operator's and LPM site's functions.
 - (10) The LPM operator shall immediately inform all its LPM sites in the event of an ICS amendment that the Authority has determined will have an influence on the operation of the LPM site.
 - (11) At a minimum the LPM operator's ICS shall contain provisions and procedures relating to –
 - (a) its organisational structure;
 - (b) its jobs compendium;
 - (c) measures for the maintenance of designated areas to ensure compliance with the provisions of the Act;
 - (d) control measures to preclude persons under the age of 18 years from having access to designated areas;
 - (e) the maintenance of premises and employee records;
 - (f) the management of LPM information records;
 - (g) the commissioning and de-commissioning of LPM's , including the set up and testing thereof;
 - (h) access to all LPM areas, including LPM logic area and SDL access;
 - (i) the resolution of patron disputes;
 - (j) manual payments, including the recording thereof;
 - (k) the maintenance of LPM's and SDL's, including the detection of LPM, SDL and CEMS malfunctions;
 - (l) the recording and correction of RAM clears, meter wraps and Limited gambling machine site licences soft meter violations;
 - (m) the detection and investigation of exceptions and unusual events, including –
 - (i) significant events, and
 - (ii) the integrity of CEMS and LPM meters;
 - (n) the clearance and count of LPM drop;
 - (o) the investigation of variances between estimated and LPM drop and the reporting thereof;
 - (p) the detection and investigation of LPM RTP percentages that are below 75%;
 - (q) control measures in respect of controlled stationery, including provisions for –
 - (i) the ordering thereof;
 - (ii) the receipt thereof;
 - (iii) the storage thereof;
 - (iv) the issue thereof;
 - (v) the method of completing entries in controlled stationery registers;
 - (vi) the personnel involved in controlled stationery transactions;
 - (vii) the comparison of a signature listing to signatures on the controlled stationery documents;
 - (viii) the method of checking for completeness and accuracy of controlled stationery registers;
 - (ix) the collection of completed controlled stationery registers;
 - (x) the method of filing of all controlled stationery; and

- (xi) the reconciliation and auditing of controlled stationery registers;
- (r) monitored key controls, including provisions for –
- (i) the ordering thereof;
 - (ii) the receipt thereof;
 - (iii) the storage thereof;
 - (iv) the issue thereof;
 - (v) the method of completing entries in monitored key registers;
 - (vi) the personnel involved in monitored key transactions;
 - (vii) procedures in respect of duplicate keys;
 - (viii) procedures in respect of lost keys;
 - (ix) dual control procedures relating to keys;
 - (x) the destruction of keys; and
 - (xi) the reconciliation and auditing of monitored key registers;
- (s) journal entries and any adjustments to stored data on the CEMS;
- (t) controls relating to user access levels and rights assigned to persons authorised to access the CEMS;
- (u) the issue, activation and retrieval of employee cards, including password reset;
- (v) the calculation, compilation and verification of the Monthly Gaming Revenue Tax Return, including the verification and reconciliation of computerised reports used to calculate LPM revenue so as to ensure the integrity and accuracy and the collection thereof;
- (w) the documentation, investigation and manner of reporting of all breaches of procedure and illegal activities;
- (x) the training of licensed or registered employees with regard to the –
- (iii) LPM site procedures;
 - (iv) Responsible Gambling Programme, and
 - (iii) maintenance of LPM's;
- (y) the performance of audits pertaining to –
- (i) game and communication software installed in LPM's;
 - (ii) software installed in SDL's;
 - (iii) user right access levels to the CEMS and other gambling-related software, including password control;
 - (iv) procedural compliance with the Act and the LPM operator's ICS;
 - (v) licensed or registered employees;
 - (vi) monitored keys;
 - (vii) controlled stationery, and
 - (viii) the verification of the accuracy and integrity of information on the CEMS.

CHAPTER III**TECHNICAL DEPARTMENT****3.1 LPM and SDL information records**

- (1) The Technical Department of the LPM operator shall record and maintain accurate and current records in the LPM operator's inventory in respect of –
- (a) each LPM, reflecting –
- (i) the date on which the LPM cabinet and game software was received;
 - (ii) the serial number assigned to that LPM cabinet by the manufacturer thereof;
 - (iii) a unique asset number assigned to that LPM cabinet and game software which shall remain unchanged for the entire duration of the period during which such LPM is owned by or in the possession of the LPM operator;
 - (iv) the location to which the LPM has been assigned;
 - (v) the number assigned to the position of the LPM at the LPM site;
 - (vi) the name of the licensed manufacturer of the LPM cabinet and game software;
 - (vii) the LPM certified model Authority approval number;
 - (viii) the LPM game software memory device number;
 - (ix) the LPM game name;
 - (x) the LPM theoretical and actual return to player percentages;
 - (xi) the LPM denomination;
 - (xii) the method and date of disposal of the LPM cabinet and game software;
 - (xiii) the total number of LPM's in use at LPM sites and in storage, and
 - (xiv) LPM permit numbers, where applicable;
- (b) each SDL, reflecting –
- (i) the date on which the SDL was received;
 - (ii) the serial number assigned to that SDL by the manufacturer thereof;
 - (iii) a unique asset number assigned to that SDL which shall remain unchanged for the entire duration of the period during which such SDL is owned by or in the possession of the LPM operator;
 - (iv) the premises or location to which the SDL has been assigned, and
 - (v) the SDL model number and Authority approval number.

3.2 LPM requirements

- (1) Each LPM shall electronically record, store and send to the CEMS the meter information specified by the applicable SABS standard.
- (2) Each LPM shall electronically record, store and send to the CEMS the following significant event information –
- (a) authorised and unauthorised LPM cabinet door, drop box door and banknote storage area open and close;
 - (b) authorised and unauthorised access to the LPM logic area while power off;
 - (c) authorised and unauthorised access to the SDL;
 - (d) communication failure to the CEMS, and
 - (e) software validation or signature failure.

- (3) An LPM shall require manual reactivation and shall perform a signature check in the event of –
- (a) unauthorised access to the LPM logic box door;
 - (b) unauthorised access to the SDL, and
 - (c) a signature failure by the LPM and SDL.
- (4) The Technical Department shall maintain all LPM's and SDL's in a good working condition in accordance with the approved norms and standards for such devices.
- (5) The LPM operator or LPM site shall not possess, install or make available for play any gambling or gambling-related device which has not been approved by the Authority.
- (6) All LPM's that are exposed for play shall be linked to the CEMS.
- (7) A number shall be assigned to each LPM at the LPM site, which shall be clearly visible on the front of the LPM or LPM base.
- (8) The LPM number referred to in sub-rule (7) shall correspond with the number reflected on the CEMS for that specific LPM.
- (9) A plate shall permanently be affixed to the cabinet of every LPM, reflecting –
- (a) the unique serial number of the LPM, and
 - (b) the name of the manufacturer of such LPM.

3.3 Commissioning, alteration and de-commissioning of LPM's and SDL's

- (1) Whenever an LPM or SDL is commissioned or altered, the Technical Department shall perform tests to ensure that the components of such LPM or SDL have been set up properly in respect of –
- (a) software validation;
 - (b) coin acceptance;
 - (c) bill acceptance;
 - (d) significant events;
 - (e) soft meter increment, and
 - (f) such other components and tests as the Authority may specify prior to any gambling activity taking place on the LPM.
- (2) The Technical Department shall –
- (a) document the results of the tests conducted in terms of sub-rule (1) in the format determined or approved by the Authority and such document shall be signed by a representative from the Technical Department and a licensed or registered employee of the relevant LPM site, and
 - (b) maintain the significant event and meter test documentation, including system reports in respect of the tests contemplated in sub-rule (1) for a period of at least two (2) years for Authority inspection.

- (3) The Technical Department shall immediately update the CEMS reflecting any commissioning, alteration or de-commissioning of LPM's at the time of such occurrence.
- (4) The Technical Manager shall approve the commissioning, alteration or de-commissioning of all LPM's.
- (4) The LPM operator shall ensure that full data collection has been completed by the CEMS prior to de-commissioning an LPM.
- (5) An LPM may not be exposed for play before the tests referred to in sub-rule (1) have been successfully completed and the information on the CEMS has been verified as being correct.
- (6) Any change to an LPM's theoretical RTP percentage shall result in such LPM being treated as a different LPM for purposes of preparing statistical reports.
- (7) In respect of a multi-game LPM, the provisions of this Rule shall apply, with the necessary changes, to each game offered by such LPM.

3.4 LPM and communication malfunctions

- (1) An LPM shall be powered down and may not be available for play if a malfunction has occurred which –
 - (a) has a fair play implication, or
 - (b) affects the integrity of the LPM or CEMS information and which cannot be repaired immediately.
- (2) An LPM shall be removed from the public area in the event that the LPM has been powered down for a period of five (5) working days.
- (3) In the event that data collection has not been performed from an LPM site over a continuous 72-hour period, the Technical Department shall implement measures to allow the data collection to be performed.
- (4) In the event that the communication malfunction cannot be repaired immediately, the Technical Department shall implement measures to allow the data collection to be performed.
- (5) The Technical Department shall, if requested in writing by the Authority to do so, immediately disable an LPM for a period determined by the Authority or until such time as the malfunction has been repaired.

3.5 Maintenance

- (1) The Technical Department shall maintain a detailed maintenance register in respect of all malfunctions and maintenance performed on LPM's and SDL's.
- (2) Preventative and routine maintenance on an LPM and SDL may be performed only by-

- (a) an LPM Technician;
- (b) an employee of the CEMS operator, and
- (c) an employee of an LPM manufacturer, licensed in terms of the Act

in the presence of a licensed or registered employee of the relevant LPM site.

- (3) Sub-rule (2) does not preclude a licensed or registered employee of the LPM site from performing routine maintenance to ensure the proper operation of the LPM's on its premises, including attending to coin-in and coin-out errors, bill disputes, hopper fills and cash collections.
- (4) If a specific malfunction on an LPM recurs on a regular basis, the Technical Department shall attend to the problem.

3.6 RAM clear

- (1) Only representatives of the Technical Department and CEMS operator shall be allowed to perform a RAM clear on an LPM and SDL.
- (2) A RAM clear on an LPM or SDL may be performed only by accessing the logic area of such LPM or secure housing of the SDL.
- (3) Prior to performing a RAM clear on an SDL, the LPM Technician and registered employee shall conduct a clearance on all the machines and a Clearance Report should be generated on the SDL, which must be signed by both the Technician and the registered employee and retained by the registered employee for balancing and audit purposes.
- (4) Prior to performing a RAM Clear on an SDL, the LPM Technician must ensure that the LPM's are uninstalled on CEMS and the SDL and that all data, including events metering data, has been successfully collected.
- (5) After the RAM Clear the Technician will ensure that all LPM's are reinstalled on the CEMS and SDL and are fully functional.
- (6) The Technician will conduct basic functionality and communication evaluations before the LPM's are made available for play.

3.7 Additional gambling devices

- (1) The holder of an LPM operator licence may, at its office or such other premises approved for this purpose by the Authority, possess an additional number of gambling devices, which –
 - (a) shall not exceed 10% of the total number of gambling devices authorised to be exposed for play in terms of the LPM operator's licence;
 - (b) may not be utilised to conduct gambling, and
 - (c) shall not be located within any public area.
- (2) The holder of an LPM operator licence may possess additional LPM's in excess of the number prescribed in sub-rule (1)(a) only upon the prior written approval of the Authority.

CHAPTER IV

ADMINISTRATION DEPARTMENT

4.1 Responsibilities

- (1) The Administration Department of the LPM operator shall –
- (a) develop, implement and review financial controls;
 - (b) reconcile gambling revenue on a weekly basis;
 - (c) prepare and control financial records and data;
 - (d) capture data, other than the data required to be captured by the Technical Department, on the CEMS;
 - (e) store financial records;
 - (f) authorise the allocation of user access rights;
 - (g) order, receive, secure, issue and be responsible for the storage of all controlled stationery and monitored keys;
 - (h) verify the integrity and validity of all financial information, and
 - (i) prepare all financial reports.

4.2 Journal entries

- (1) In the event of incorrect information being reflected on the CEMS, the Administration Department shall make printouts prior to and subsequent to changes being effected thereto, reflecting an audit trail of the amendments made and the reason for such amendments.
- (2) The Administration Department shall request the CEMS operator, in writing on the prescribed Journal Entry Register, to effect the necessary adjustments.
- (3) All journal entries shall be authorised and signed by the Administration Manager.

4.3 LPM accounting

- (1) The Administration Department shall, on a daily basis, review the CEMS reports used for calculating taxable revenue to verify the accuracy thereof.
- (2) The Administration Department shall verify that the data contemplated in Rule 3.2(1) and (2) has been collected in respect of all LPM's within 24 hours of the period allowed for the collection thereof.
- (3) The Administration Department shall immediately inform the Technical Department if the data collection contemplated in sub-rule (2) has been unsuccessful.

-
- (4) A weekly reconciliation shall be prepared by the Administration Department in respect of the taxable revenue pertaining to all LPM's exposed for play by the LPM operator.
- (5) All LPM reconciliation procedures and any follow-up actions performed in respect thereof shall be documented and retained for Authority inspection.
- (6) The weekly tax return shall be signed by the Administration Manager.

4.4 Controlled stationery

- (1) The Administration Department shall be responsible for ordering, receiving, storing and issuing the following controlled stationery –
- (a) A Machine Book for each LPM, to be used to document each time an LPM is accessed, reflecting the relevant –
- (i) LPM site;
 - (ii) LPM number;
 - (iii) date and time of access;
 - (iv) reason for access, and
 - (v) signature and name or employee number of the LPM Technician or licensed or registered LPM site employee accessing the LPM;
- (b) A Malfunction and Maintenance Register, to be used to document all malfunctions of and maintenance performed on LPM's and SDLs, recording the relevant –
- (i) LPM site;
 - (ii) LPM or SDL number;
 - (iii) date and time of the malfunction;
 - (iv) date and time of the maintenance;
 - (v) description of the malfunction and action taken to repair it, and
 - (vi) signatures, names and employee numbers of the LPM Technician and licensed or registered LPM site employee performing and witnessing the maintenance;
- (c) A RAM Reset Document, to be used in the event of a RAM clear, recording the relevant –
- (i) date and time;
 - (ii) LPM number;
 - (iii) all soft meter readings prior to the RAM clear;
 - (iv) all soft meter readings subsequent to the RAM clear, and
 - (v) signatures and names or employee numbers of the LPM Technician and licensed or registered LPM site employee performing and witnessing the RAM clear;

- (d) A Pay-out Register, to be used to document all prescribed payouts made by the LPM site to patrons, recording the relevant –
- (i) date of payment;
 - (ii) value of the payment;
 - (iii) patron's name, surname and signature in numerical and word form and
 - (iv) signature and name in print hand as well as employee number of the licensed or registered LPM site employee who made the payout;
- (e) A Dispute Register, to be used to document all patron disputes, including resolved disputes, recording the relevant –
- (i) date and time of the dispute;
 - (ii) nature of the dispute, if there is a value in dispute, it must be recorded in word and numerical value.
 - (iii) the relevant LPM number, , where applicable;
 - (iv) the patron's name, signature and contact details, including telephone number and address;
 - (v) remedial steps taken to resolve the dispute,
 - (vi) details regarding the resolution or referral of the dispute, as the case may be, and
 - (vii) signature and name in print hand as well as employee number of the licensed or registered LPM site employee to whom the dispute was reported;
- (f) A Journal Entry Register, to be used to record the detail of all adjustments made to stored data on the CEMS, recording the relevant –
- (i) date and time of the entry;
 - (ii) LPM number, where applicable;
 - (iii) LPM site name;
 - (iv) reason for the adjustment;
 - (v) description of the adjustment made, and
 - (vi) signatures and names or employee numbers of the Administration Department employee requesting the adjustment and the Administration Manager authorising the adjustment;
- (g) A User Access Rights Application Form, to be used for the application of user access rights on the CEMS, recording the relevant –
- (i) date of application;
 - (ii) applicant's name and surname;
 - (iii) position or job function of the applicant;
 - (iv) Authority licence number, where applicable;
 - (v) LPM operator's name;
 - (vi) LPM site name, where applicable;
 - (vii) the user access rights to be allocated to the applicant, and
 - (viii) signature and name or employee number of the Administration Department employee authorising the application;

- (h) Stationery that requires strict security controls, in that it may represent value in the site, shall be used in numerical sequence and may only be purchased from a company that has been approved by the Authority and been granted a certificate of suitability. .
- (i) A Stationery Register, documenting controlled stationery in stock as well as all controlled stationery issued, recording the relevant –
- (i) amount of stationery received;
 - (ii) ranges of stationery received;
 - (iii) signature and name or employee number of the employee receiving the stationery;
 - (iv) LPM site at which the stationery is used, where applicable;
 - (v) date and time issued;
 - (vi) current stock level, and
 - (vii) the signatures and names or employee numbers of the licensed or registered employees receiving and issuing the controlled stationery;
- (j) Monitored Key Control Registers, documenting each time monitored keys or combinations thereof are issued, duplicated or destroyed, recording the relevant –
- (i) type of key or combination of keys;
 - (ii) number of keys made, duplicated or destroyed;
 - (iii) legible names and signatures of all persons involved in the creation, duplication or destruction of such keys;
 - (iv) date and time issued;
 - (v) relevant LPM site, where applicable;
 - (vi) legible signature and name in print hand as well as employee number of the employee issuing the keys;
 - (vii) legible signature and name in print hand as well as employee number of the employee receiving the keys, and
 - (viii) date and time returned by the custodian of the monitored key.
- (2) All the unused and completed registers contemplated in sub-rule (1) shall be kept in a secure and lockable area controlled by the Administration Department.
- (3) The issue and receipt of all controlled stationery shall be recorded in a stationery register.
- (4) Information required to be reflected on controlled stationery shall be recorded in ink or such other permanent medium as the Authority may require or approve.
- (5) Corrections to information recorded on controlled stationery shall be made by drawing a single line through the error and entering the correct detail whereupon at least one employee involved in the transaction shall append his or her initials alongside the changes, specifying his or her name and employee ID number.
- (6) All the completed registers contemplated in sub-rule (1) shall be retained -

- (a) on the relevant LPM site, for a period of at least three (3) months from the date of the last entry therein, and
 - (b) at its registered office, by the LPM operator for a period of at least two (2) years from the date of the last entry therein for Authority inspection.
- (7) Notwithstanding the provisions of this Rule, where the LPM operator utilises a computerised system and electronic signature identification, the Authority may approve different requirements and provisions in respect of controlled stationery, upon demonstration by the LPM operator to the satisfaction of the Authority that there are sufficient controls in place to ensure the integrity and validity of the computerised system and the reports generated.
- (8) The LPM operator may combine certain of the registers specified in this Rule with computer-generated reports, provided that the LPM operator is able to prove to the Authority—
- (a) the validity and correctness of the information contained in the registers and reports, and
 - (b) that the integrity of the documentation is not prejudiced by such combination.

4.5 Monitored keys

- (1) The Administration Department shall maintain detailed records in respect of each monitored key that is made, duplicated or destroyed.
- (2) The Administration Department shall receive, secure, issue, control and dispose of the following monitored keys –
- (a) LPM cabinet door keys;
 - (b) logic area door keys;
 - (c) SDL keys;
 - (d) such other keys that are required to be monitored or controlled in terms of the Act and ICS, and
 - (e) each duplicate key to the keys contemplated in paragraphs (a) to (d) above.
- (3) All monitored keys shall be kept in a secured area, in such a manner as to prevent unauthorised access thereto.
- (4) Access to the secure area referred to in sub-rule (3) shall be limited to representatives of the Administration Department.
- (5) All key transactions shall be registered in key control registers.
- (6) Monitored keys shall at all times remain under the control of the custodian of such keys or secured in a manner approved by the Authority.
- (7) In addition to the provisions of this Rule, the following provisions shall apply with regard to the control of –
- (a) Logic area keys –
 - (i) Only authorised representatives from the Technical Department shall be allowed access to the logic area keys.
 - (ii) Logic area keys may not be kept at the Limited gambling machine site licences site.

- (b) SDL keys-
 - (i) The SDL keys shall be issued only to an LPM Technician or a representative of the CEMS operator.
- (c) LPM cabinet door keys may only be issued to a licensed or registered employee of the LPM site or a representative of the Technical Department.

CHAPTER V

COMPLIANCE DEPARTMENT

5.1 Investigations

- (1) The Compliance Department of the LPM operator shall, on a weekly basis, review the CEMS meter readings and significant events in order to detect exceptions and unusual events, including –
 - (a) unauthorised access to secured areas of the LPM and SDL;
 - (b) configuration changes to LPM and SDL software;
 - (c) LPM and SDL software validation or signature failure;
 - (d) meter violations, meter wraps and RAM clears, and
 - (e) variances in excess of R100-00 or 20% per gaming day between actual and metered LPM drop, in the event that the actual LPM drop counted exceeds the metered drop.
- (2) The Compliance Department shall, on a weekly basis, ensure that the exceptions and unusual events referred to in sub-rule (1) are investigated.
- (3) The Compliance Department shall inform the Technical Department of any unresolved exceptions and unusual events referred to in sub-rule (1).
- (4) The Compliance Department shall inform the Administration Department regarding the outcome of the variances contemplated in sub-rules (1)(d) and (e).
- (5) The results of the investigations referred to in this Rule and the actions taken to prevent a recurrence thereof, shall be documented.
- (6) All reports contemplated in this Rule shall be in writing and kept for a period of at least two (2) years for Authority inspection.

5.2 Audits

- (1) The Compliance Department shall be responsible for the performance of quarterly audits –

- (a) to verify that only approved game and communication software is installed in LPM's;
 - (b) to verify that only approved software is installed in SDLs;
 - (c) to ensure that access to the CEMS has been allocated to authorised personnel only;
 - (d) assessing procedural compliance by the LPM operator and on the LPM site with the Rules and the LPM operator's ICS;
 - (e) to verify that all employees performing gambling-related functions are correctly registered;
 - (f) on the LPM RTP percentages which are below 75% over a continuous 12-month period;
 - (g) to ensure that journal entries have been performed correctly and with the necessary authorisation;
 - (h) on monitored key registers for accuracy;
 - (i) on controlled stationery registers for accuracy and stock levels, and
 - (j) to verify the accuracy and integrity of information on the CEMS.
- (2) Any discrepancies found during the audits referred to in sub-rule (1) shall be investigated and the results and actions taken to prevent a recurrence thereof shall be documented.
- (3) All reports contemplated in this Rule shall be in writing and kept for a period of at least two (2) years for Authority inspection.
- (4) The Compliance Department shall, on a six-monthly basis, compile or review a risk analysis in respect of the day-to-day gambling and gambling-related activities conducted by the LPM operator and on LPM sites.

5.3 Reporting requirements

- (1) The Compliance Manager shall report directly to at least the General Manager or Managing Director of the LPM operator.
- (2) The Authority may approve different reporting lines to those prescribed in sub-rule (1) above, upon demonstration by the LPM operator that there are no incompatible functions.
- (3) The Compliance Department shall, on a monthly basis, provide the Authority with a report reflecting, in respect of the period reviewed –
- (a) any contraventions of the LPM operator's ICS or the Act;
 - (b) any discrepancies detected during the prescribed audits and investigations;
 - (c) detail of all journal entries;
 - (d) a summary of all patron disputes arising;
 - (e) any cheating activities detected;
 - (f) a summary of all banning effected, and
 - (g) such other detail as may be required by the Authority.
- (4) The monthly reports, referred to in sub-rule (3), shall be submitted within five (5) working days after the conclusion of every month.
- (5) In addition to the provisions of sub-rule (3), the Compliance Department shall submit additional reports to the Authority relating to –

- (a) gambling-related activities and procedures;
- (b) any material weaknesses identified in the LPM operator's ICS, and
- (c) instances of possible non-compliance with the provisions of the LPM operator's ICS or the Act

within fourteen (14) days of compiling such reports.

- (6) All reports contemplated in this Rule shall be in writing and kept for a period of at least two (2) years for Authority inspection.

CHAPTER VI

LPM SITES

6.1 ICS

- (1) The provisions and procedures prescribed in an LPM operator's ICS, including its organisational structure and jobs compendium shall be complied with on all licensed LPM sites on which it exposes LPM's for play.
- (2) No gambling or gambling-related activities shall be conducted on a LPM sites prior to the approval of the relevant LPM operator's ICS by the Authority.
- (3) All operations on an LPM site shall be conducted in terms of the relevant LPM operator's ICS.
- (4) A copy of these Rules and the relevant LPM operator's ICS shall, at all times be retained on an LPM site.
- (5) If any provision or procedure of the LPM operator's ICS is contravened on an LPM site, such contravention shall be deemed to be a contravention of these Rules, and the LPM operator shall be liable for the penalties prescribed in respect thereof in these Rules, or such penalties together with such other sanction as the Authority may impose in terms of the Act; provided that –
 - (a) where the holder of the LPM operator licence to which an LPM site relates does not exercise control over the premises for the purposes of the contravention, the Authority may require the site owner key employee to pay the penalties stipulated in these Rules in respect of such contravention, and
 - (b) where a penalty is imposed pursuant to paragraph (a), the Authority may exempt the holder of the relevant LPM operator licence to which the site relates from paying the penalty specified if it is satisfied that that the holder of the relevant LPM operator licence could not reasonably have prevented the contravention.
- (6) For the purposes of sub-rule (5)(b), an LPM operator may not be regarded as having been unable reasonably to prevent a contravention where –
 - (a) the LPM operator has previously been alerted to the commission of a similar contravention on the relevant LPM site;
 - (b) the LPM operator has undertaken to take steps to prevent a repetition of similar contraventions on the relevant LPM site, and has not taken sufficient steps to do so, or
 - (c) the same or similar contraventions take place on the relevant LPM site on a regular basis.

- (7) If any provision of these Rules is contravened on an LPM site, the provisions of sub-rules (5) and (6) shall apply *mutatis mutandis* in respect of the imposition of penalties regarding such contravention.

6.2 Minimum requirements for LPM sites

- (1) The playing of LPM's on the LPM site shall constitute the secondary form of business provided on such site.
- (2) All business conducted on the LPM site shall be lawful and registered for tax purposes.
- (3) The Authority shall approve the floor plan of the LPM site prior to any gambling activity being conducted on such site.
- (4) The approved floor plan in respect of a LPM site may not be altered without the prior written approval of the Authority.
- (5) The LPM operator or any other person may not, on an LPM site, expose for play LPM's in excess of the maximum number authorised for such site by the Authority.
- (6) The designated area of an LPM site shall be constructed in such a manner as to ensure restricted access thereto.
- a. The designated area of an LPM site shall not be less than three (3) square meters per LPM, unless otherwise approved by the Authority.
- (7) The wiring to and from the LPM, SDL and SKP shall be installed in a manner as to prevent tampering therewith.
- (8) The LPM shall not be visible to the general public from outside the LPM site.
- (9) Advertising of gambling on the exterior of an LPM site, other than the display of the corporate logo of the LPM operator, or the adoption or use of a name in respect of the LPM site which promotes or incorporates a reference to gambling is prohibited.
- (10) All LPM's shall be placed and remain within the designated areas approved by the Authority, unless otherwise prescribed by these Rules.
- (11) All SDL's and SKP's shall be placed and remain in an area approved by the Authority.
- (12) The LPM operator or any other person on an LPM site shall not expose a LPM for play outside the approved designated area.

6.3 Responsibilities pertaining to LPM sites

- (1) In the event of an LPM or CEMS malfunction that cannot be repaired immediately, the registered employee on the LPM site shall immediately inform the LPM operator.
- (2) LPM's that are not exposed for play shall not be stored in a public area.

-
- (3) An LPM may not be stored on an LPM site for a period longer than one (1) month without the prior written approval of the Authority.
- (4) A registered employee on an LPM site shall perform a count of all the LPM drop proceeds at least once every a week and record the value of the drop proceeds on the CEMS.
- (5) All manual payments made by the LPM site in excess of R200-00, shall be recorded in the prescribed Payout Register.
- (6) All LPM's within the LPM site shall be monitored, observed and supervised by a licensed or registered employee during operating hours in order to –
- (a) ensure that no person under the age of 18 years –
 - (i) enters or remains in any designated area with LPM's;
 - (ii) takes part in an LPM game, or
 - (iii) operates an LPM;
 - (b) effectively monitor and control the designated area and areas in which the SDL and SKP are placed, and
 - (c) ensure that all LPM's and the SDL, and their wiring, are not –
 - (i) tampered with or damaged;
 - (ii) altered in any way, or
 - (iii) accessed by unauthorised persons.

6.4 Access to LPM's

- (1) Only an authorised registered employee of an LPM operator, a registered employee on an LPM site and a licensed manufacturer may access an LPM.
- (2) The employee card of the registered employee of the relevant LPM site, shall be inserted in the SKP each time an LPM is accessed.
- (3) The registered employee on an LPM site shall ensure that all doors of the LPM and SDL are secured at all times.

6.5 Licence and signs to be displayed

- (1) The following shall be prominently displayed at the entrance of the designated area of each Limited gambling machine site licence site –
- (a) a copy of the licence issued to the LPM site;
 - (b) a copy of the LPM operator's licence, and
 - (c) signage consistent with Part B section 15 of the National Gambling Act –

- (i) stating that no persons under the age of 18 are allowed to enter or remain in the designated area;
 - (ii) that Responsible Gambling Brochures are available on the LPM site, and
 - (iii) providing the information required by the General Rules of the Authority with regard to the National Responsible Gambling Programme.
- (2) The signage referred to in this Rule shall be in the format determined by the Authority.
- (3) Responsible Gambling Brochures shall be available at an LPM site at all times.
- (3) Each LPM shall have Responsible Gambling stickers required or prescribed by the Authority located in a place visible to patrons.
- (4) The procedure pertaining to the resolution of patron disputes must be conspicuously displayed in the LPM site designated area, specifying –
- (a) that all disputes should be immediately reported on the LPM site;
 - (b) the procedure in respect of the completion of the Dispute Register;
 - (c) the helpline number of the LPM operator, and
 - (d) contact details in respect of the Authority.

6.6 Monitored keys and controlled stationery

- (1) All monitored keys and controlled stationery must be kept in a secure area on the LPM site or in the possession of a licensed or registered employee to prevent unauthorised access thereto.

6.7 Patron disputes and dispute register

- (1) A licensed or registered employee at an LPM site shall record all patron disputes in a Dispute Register and immediately perform such investigations as may be required to resolve the dispute.
- (2) If the investigation contemplated in sub-rule (1) reveals that credits are legally owed to a patron, such credits shall immediately be paid out at the relevant LPM site.
- (3) The LPM site shall, within 24 hours, inform the LPM operator of any patron dispute arising on such site.
- (4) The LPM operator shall make available a helpline number for the purpose of registering patron disputes.
- (5) The LPM operator shall perform weekly follow-ups in respect of all patron disputes to ensure the resolution thereof.
- (6) In the event that disputes cannot be resolved within 30 days, such disputes may be referred to the Authority for resolution in accordance with the procedures prescribed by the Regulations.

- (7) The LPM operator shall document the information in respect of the follow-ups performed and retain such documentation for a period of at least two (2) years for Authority inspection.

CHAPTER VII

GENERAL PROVISIONS

7.1 Offices of the LPM operator

- (1) The offices of the holder of an LPM operator licence, at which its administrative and accounting functions are conducted, shall be based within the borders of the Free State Province.

7.2 Credit facility

- (1) No person shall directly or indirectly, extend credit, in any form whatsoever, to any person, for the purpose of playing on, or operating, an LPM.
- (2) For the purposes of this Rule, credit extension includes the advancement of cash by an LPM site, LPM operator or any other person against a person's credit card, cheque, travellers' cheque, money order or any other negotiable instrument whatsoever.

7.3 Game features, stakes and prizes

- (1) No bets in respect of which the stake exceeds the maximum amount prescribed in terms of the Act, may be offered or accepted on an LPM site.
- (2) No person shall in their own name or on behalf of any third party, offer any prize in excess of or in addition to the maximum prize prescribed in terms of the Act.
- (3) Progressive jackpots and double-up features are not permitted in respect of LPM's.
- (4) All prizes shall be paid in cash or a cash equivalent approved by the Authority.

7.4 Monetary instruments

- (1) Betting on LPM's may only take place by means of cash or a cash equivalent approved by the Authority.
- (2) Any cash equivalent used by an LPM site for betting is evidence of a debt which that LPM site owes to the person legally in possession of such cash equivalent.
- (3) The LPM site shall immediately redeem its monetary instrument used for betting, including credits registered on the LPM, for cash or a cash equivalent upon request of a patron, unless the monetary instrument was obtained or is being used untactful.

7.5 SDL controls

- (1) The SDL shall be designed and constructed in a manner to reveal any attempt at tampering therewith.

7.6 Employee cards

- (1) Employee cards shall be issued to and used only by authorised registered employees.
- (2) Prior to accessing an LPM or SDL, a licenced or registered employee shall insert his or her employee card in the SKP.
- (3) Employee cards issued to licensed or registered employees at a LPM site shall be valid only in respect of the specific LPM site.
- (4) Employee cards issued to licensed or registered employees of a LPM operator shall be valid only in respect of the specific LPM site linked to such LPM operator.
- (5) An employee shall insert a password prior to performing any function or maintenance on an LPM or SDL.
- (6) Employee cards shall not be left unattended in the SKP.
- (7) An employee card shall immediately be deactivated in the event that it is lost or when the employee to whom it relates has resigned.
- (8) Employee cards shall contain the following printed information –
- (a) a photograph of the relevant employee;
 - (b) the name of the employee to whom the card relates;
 - (c) the name of the licensed LPM site to which the card relates;
 - (d) the name of the relevant LPM operator;
 - (e) the category of registration
 - (f) the registration number assigned to the relevant employee by the Authority.

7.7 LPM sites and employee records

- (1) The holder of an LPM operator licence shall, in respect of each site at which it has been authorised to expose LPM's for play, maintain current and accurate LPM site records reflecting –
- (a) the business name of the site;
 - (b) the physical address of the site;
 - (c) the postal address of the site;
 - (d) all other available contact details in respect of the site, and
 - (e) details of each licensed or registered employee at the site, including the employee's –

- (i) name and surname;
 - (ii) type of licence, and
 - (iii) Authority registration number.
- (2) The LPM operator shall, within 5 working days after the conclusion of every month, submit an LPM site and employee movement report to the Authority specifying, in respect of the preceding month –
- (a) the details of all newly appointed gambling-related employees;
 - (b) the new LPM licensed site;
 - (c) all licence renewals in respect of gambling-related employees and LPM's ;
 - (d) details of all LPM sites whose contracts were terminated;
 - (e) details of all gambling-related employees who left the employment of the LPM operator or ceased employment on an LPM site, and
 - (f) all promotions or demotions in respect of gambling-related employees of the LPM operator or persons registered to be employed on a LPM site.
- (3) The holder of a site owner key employee licence or registration shall immediately inform the LPM operator of any employee resignations.

User access rights

- (1) All application forms for access to any gambling-related software, including amendments thereto, shall be signed by a representative of the Administration Department.
- (2) The User Access Rights Application Form shall clearly indicate the user access rights for which the applicant has applied.
- (3) The LPM operator shall request user access rights on the CEMS to be allocated to authorised licensed or registered employees only.
- (4) The user access rights matrix shall indicate all types of user groups registered on the CEMS and all the user rights allocated to such users.
- (5) The user access rights matrix shall be approved and signed by the General Manager of the LPM operator, the Administration Manager and a representative of the Authority.
- (6) Any amendments to the pre-approved user access rights matrix shall be signed by the persons prescribed in sub-rule (5).
- (7) The Administration Department shall request the CEMS operator, in writing, to allocate the employee's user rights in terms of the pre-approved user access rights matrix by supplying the following information –

- (a) the applicant or employee's name and surname;
 - (b) user access rights to be allocated;
 - (c) LPM operator name;
 - (d) LPM site name, where applicable, and
 - (e) Authority registration number.
- (8) User access rights on the CEMS shall be allocated to appropriately registered employees and in terms of the user access rights matrix.
- (9) The prior written approval of the Authority is required in respect of all other persons for whom user access rights are requested on the CEMS.
- (10) The LPM operator shall immediately inform the CEMS operator of the resignation of any employee, whereupon the relevant employee's user access rights shall be immediately disabled on the CEMS.

7.9 Employees to be appropriately licensed or registered

- (1) Only appropriately licensed or registered persons may perform gambling-related functions on behalf of a LPM operator, CEMS operator or on a licensed LPM site.
- (1A) An application for registration as an LPM employee shall –
- (a) be submitted to the Authority within such time;
 - (b) be in such format and contain such information, and
 - (c) be accompanied by such registration fee

as the Authority may from time to time determine.

- (2) Any person who has the authority to –
- (a) perform journal entries;
 - (b) allocate user access rights on the CEMS, and
 - (c) perform maintenance or change the functionality of the CEMS
- shall be licensed as a key employee in terms of the Act.

7.9A Restrictions on advertising

- (1) The holder of any licence issued in respect of an LPM site shall not conduct any interview with or provide any information or any opportunity to create or reproduce any photographic image to any section or representative of the media, or permit any member of staff of its business or any other person to conduct such interview or provide such information or opportunity, in relation to -

- (a) any details of the contractual arrangement entered into between the primary business conducted on such site or such licence holder and the holder of the relevant LPM Operator Licence;
 - (b) any proposed report, photographic image, article or communication which is intended, or can reasonably be expected to -
 - (i) attract members of the public to the licensed site, or
 - (ii) place the particular licensed site to be named, reflected or referred to in any such proposed report, photographic image, article or communication at any advantage, whether real or perceived, over any other licensed LPM site in the Province or elsewhere.
- (2) The provisions of this sub-rule shall not preclude the holder of an LPM operator licence from implementing such advertising in respect of LPM operations or any licensed LPM site, as may be approved by the Authority: Provided that advertising must be consistent with Part B section 15 of the National Gambling Act.

7.10 Dispensation

- (1) The Authority may approve alternative criteria or procedures other than those prescribed in these Rules, if the LPM operator is able to prove to the Authority that, notwithstanding such criteria or procedures, there are sufficient controls in place to ensure the integrity of the operation.

CHAPTER VIII

OFFENCES AND PENALTIES

8.1 Offences and penalties

- (1) The LPM operator and a site owner key employee, where applicable, shall be guilty of an offence and be liable to –
- (a) a penalty of R 10 000,00 per offence if –
 - (i) it fails to comply with the provisions of these Rules or its ICS relating to its organisational structure and jobs compendium or to implement the organisational structure and jobs compendium approved by the Authority;
 - (ii) it fails to comply with the provisions of these Rules or its ICS relating to the keeping or maintaining of any book, account, record, register, ledger, inventory or other document required to be kept or maintained in terms of these Rules or its ICS or if such books, accounts, records, registers, ledgers, inventories or other documents are not up to date or in the correct format, or
 - (iii) it fails to comply with the provisions of these Rules or its ICS relating to any procedure to be followed;
 - (b) a penalty of R 20 000,00 per offence if –
 - (i) notwithstanding the provisions of sub-rule (1)(a), it fails to comply with the provisions of these Rules or its ICS relating to –

- (aa) minors found in the designated LPM areas;
- (bb) resolution of patron disputes;
- (cc) signs and information to be displayed at the LPM site;
- (dd) credit extension;
- (ee) maximum stakes and prizes;
- (ff) investigations and audits to be performed, and
- (gg) journal entries;

(c) a penalty of R 50 000,00 per offence if –

- (i) it fails to maintain LPM's and the CEMS in accordance with the provisions of the Rules, and
- (ii) it fails to maintain or produce financial records utilised for the purpose of calculating taxable revenue.

(2) In the event of –

- (a) a second offence, the penalty referred to in sub-rule (1) shall double, and
- (b) a third offence, the penalty referred to in sub-rule (1) shall treble.

(3) For the purposes of this Rule an LPM operator's ICS shall be limited to those provisions of its ICS that are required to be incorporated into its ICS in terms of the Act.

(4) The imposition of any penalty in terms of this Rule shall not preclude the Authority from instituting any further or alternative disciplinary action against an LPM operator or other licence holder.

(5) All penalties imposed in terms of this Rule shall be payable within 30 days of the imposition of such penalty.

(6) The Chief Executive Officer of the Authority shall have the competency to impose any penalty in terms of this Rule.

PROVINCIAL GAZETTE
(Published every Friday)

All correspondence, advertisements, etc. must be addressed to the Officer in charge of the Provincial Gazette, P.O. Box 517, Bloemfontein, Tel.: (051) 403 3139. Free Voucher copies of the Provincial Gazette or cuttings of advertisements are NOT supplied.

Subscription Rates (payable in advance)

The subscription fee for the Provincial Gazette (including all Extraordinary Provincial Gazettes) are as follows:

SUBSCRIPTION: (POST)

PRICE PER COPY	R 19.80
HALF-YEARLY	R495.00
YEARLY	R989.90

SUBSCRIPTION: (OVER THE COUNTER / E-MAIL)

PRICE PER COPY	R 11.70
HALF-YEARLY	R 293.00
YEARLY	R 586.00

Stamps are not accepted

Closing time for acceptance of copy

All advertisements must reach the Officer in Charge of the Provincial Gazette **not later than 16:00, three working days** prior to the publication of the Gazette. Advertisements received after that time will be held over for publication in the issue of the following week, or if desired by the advertiser, will be inserted in the current issue as a "Late Advertisement". In such case the advertisement must be delivered to the Officer in Charge **not later than 08:00 on the Tuesday** preceding the publication of the Gazette and double rate will be charged for that advertisement.

A "Late Advertisement" will not be inserted as such without definite instructions from the advertiser.

Advertisement Rates

Notices required by Law to be inserted in the Provincial Gazette: **R27.90** per centimeter or portion thereof, single column.

Advertisement fees are payable in advance to the Officer in charge of the Provincial Gazette, P.O. Box 517, Bloemfontein, 9300, Tel.: (051) 403 3139.

NUMBERING OF PROVINCIAL GAZETTE

You are hereby informed that the numbering of the Provincial Gazette /Tender Bulletin and notice numbers will from 2010 coincide with the relevant financial year. In other words, the chronological numbering starting from one will commence on or after 1 April of every year.

Printed and published by the Free State Provincial Government

PROVINSIALE KOERANT
(Verskyn elke Vrydag)

Alle korrespondensie, advertensies, ens. moet aan die Beampte Belas met die Provinsiale Koerant, Posbus 517, Bloemfontein, Tel.: No. (051) 403 3139 geadresseer word. Gratis eksemplare van die Provinsiale Koerant of uitknipsels van advertensies word NIE verskaf nie.

Intekengeld (vooruitbetaalbaar)

Die intekengeld vir die Provinsiale Koerant (insluitend alle Buitengewone Provinsiale Koerante) is soos volg:

INTEKENGELD: (POS)

PRYS PER EKSEMPLAAR	R 19.80
HALFJAARLIKS	R495.00
JAARLIKS	R989.90

INTEKENGELD: (OOR DIE TOONBANK / E-POS)

PRYS PER EKSEMPLAAR	R 11.70
HALFJAARLIKS	R 293.00
JAARLIKS	R 586.00

Seëls word nie aanvaar nie.

Sluitingstyd vir die Aannee van Kopie

Alle advertensies moet die Beampte Belas met die Provinsiale Koerant bereik **nie later nie as 16:00 drie werksdae** voordat die Koerant uitgegee word. Advertensies wat na daardie tyd ontvang word, word oorgehou vir publikasie in die uitgawe van die volgende week, of as die adverteerder dit verlang, sal dit in die Koerant wat op die pers is as 'n "Laat Advertensie" geplaas word. In sulke gevalle moet die advertensie aan die Beampte oorhandig word **nie later nie as 08:00 op die Dinsdag** voordat die Koerant gepubliseer word en dubbeltarief sal vir dié advertensie gevra word.

'n "Laat Advertensie" sal nie sonder definitiewe instruksies van die Adverteerder as sodanige geplaas word nie.

Advertensietariewe

Kennisgewings wat volgens Wet in die Provinsiale Koerant geplaas moet word: **R27.90** per sentimeter of deel daarvan, enkel-kolom.

Advertensiegelde is vooruitbetaalbaar aan die Beampte belas met die Provinsiale Koerant, Posbus 517, Bloemfontein 9300, Tel.: (051) 403 3139.

NOMMERING VAN PROVINSIALE KOERANT

U word hiermee in kennis gestel dat die nommering van die Provinsiale Koerant / Tender Bulletin en kennisgewingnummers vanaf 2010 met die betrokke boekjaar sal ooreenstem. Met ander woorde, die kronologiese nommering beginnende met een, sal op of na 1 April van elke jaar begin.

Gedruk en uitgegee deur die Vrystaatse Provinsiale Regering