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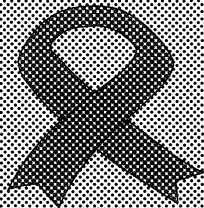
Vol. 21

NELSPRUIT, 29 MAY
MEI 2014

No. 2308

We all have the power to prevent AIDS

AIDS
affects
us all



A
new
struggle

Prevention is the cure

**AIDS
HELPLINE**

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DEPARTMENT OF HEALTH

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GENERAL NOTICE

NOTICE 190 OF 2014

DEPARTMENT OF ECONOMIC DEVELOPMENT, ENVIRONMENT AND TOURISM

MPUMALANGA GAMBLING AMENDMENT REGULATIONS, 2014

I, **YVONNE NKWENKWEZI PHOSA**, member of the Executive Council for Finance hereby amend the regulations contained herein after consultation with the Mpumalanga Gambling Board and in consultation with the Executive Council of Mpumalanga, in order to amend the regulation of casino gambling as contained in the Mpumalanga Gambling Levies Regulations, 2010 and to regulate the payment of gambling levies by totalisator operators and bookmakers within the Province.

Given under my hand at Mbombela this 15 day of 05 2014.



YN PHOSA

**MEMBER OF THE EXECUTIVE COUNCIL
FOR ECONOMIC DEVELOPMENT, ENVIRONMENT AND TOURISM:
MPUMALANGA PROVINCE**

REGULATIONS

GENERAL EXPLANATORY NOTE:

[] Words in bold type in square brackets indicate omissions from existing enactments.

_____ Words underlined with a solid line indicate insertions in existing enactments.

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**PART I - GENERAL
CHAPTER 1
GENERAL PROVISIONS**

Definitions

1. In these regulations, unless the context otherwise indicates –

“apply” means, with regard to a casino licence, the participation in the application process;

“casino bankroll” means the total amount of cash and cash equivalents maintained at the licensed premises or immediately accessible from amounts on deposit at a licensee’s financial institution;

“cheat” means to alter the elements of chance, method of selection or criteria which determine:

- (1) the result of a game; or
- (2) the amount or frequency of payment in a game;

“chip” means a non-metal or partly metal representative of value, redeemable for cash, and issued and sold by a licensee for use at the licensee's licensed premises;

“credits” means the amount of money available to a player, reflected on a gambling machine or limited payout machine in increments of the denomination of that particular machine in Rand value, which accrues as a result of the insertion of cash or tokens into the machine or the accumulation of anything won by a player at the completion of a game;

“credit instrument” means a writing which evidences a gambling debt owed to a casino licensee and includes any writing taken in consolidation, redemption or payment of a previous credit instrument;

“double-up” means a gambling option whereby a player may during a game risk a previous win, bet or a portion of that bet on the selection of a further outcome;

“final action” in relation to any application, means the date when the Board grants or refuses an application;

“gambling debt” means a debt arising as a result of the playing of a gambling game other than the extension of credit by a licensee;

“jackpot meter” means a counting device in a gambling machine which registers all winnings on that gambling machine which are not registered on the out meter;

“jackpot payout” means:

- (1) cash, tokens and credit to a player's account distributed to a gambling machine player as a result of a legitimate wager; and
- (2) cash paid directly to an independent financial institution by a licensee for the purchase of an annuity designed to pay a player's winnings over a period of time;

“limited payout machine game” means any game played on a limited payout machine.

“National Regulations” means the National Regulations on Limited Payout Machines, 2000 and the National Gambling Regulations, 2004, including amendments thereto and other National Regulations, which may be promulgated in future;

“out meter” means a counting device in a gambling machine which automatically registers all winnings paid by that gambling machine;

“other gambling equipment” means anything other than a gambling machine, a limited payout machine and a gambling device;

“the Act” means the Mpumalanga Gambling Act, 1995 (Act No. 5 of 1995) as amended from time to time;

“the Rules” means any rule made in terms of section 84 of the Act;

“token” means a token redeemable for a specified cash amount and issued or sold by a licensee to players for use when gambling.

National Regulations

2. These regulations will be subject to the provisions of the National Regulations.

Gambling levies

3. All gambling levies payable in terms of the Act will be collected by the Board. The gambling levies payable by site operators in terms of the Act will be collected on behalf of the Board by Route Operators.

Gratuities

4. Employees are allowed to receive tips, gratuities or other consideration from any person who participates in gambling or any customer of the holder of a licence: Provided that –

- (a) management and supervisory personnel are excluded from receiving and retaining any such tips, gratuities or other consideration; and
- (b) any tip gratuity or consideration be offered and received in accordance with the Rules.

Serving of notices

5. (1) Any notice to be given to a person by the Board in terms of the Act or these regulations shall be given by –

- (a) personal delivery;
- (b) registered mail;
- (c) facsimile transmission; or
- (d) e-mail.

(2) Any notice given by the Board in terms of subregulation (1) shall be deemed to have been received:

- (a) in the case of personal delivery, upon delivery of the notice to such person's physical address;
- (b) in the case of registered mail, 14 days after it has been posted; or
- (c) in the case of facsimile transmission or e-mail, at 10h00 on the first business day following the date of transmission.

Undesirable advertising

6. (1) A specific advertisement or form of advertising shall be undesirable if, in the opinion of the Board –

- (a) it is offensive;
- (b) it is misleading;
- (c) it is in bad taste;
- (d) it contrasts or compares licensees with regard to –
 - (i) the size;
 - (ii) the number of games available; or
 - (iii) the house advantage, hold, win or any like indication of the probability of winning or losing;or
- (e) it is intended, directly or indirectly, to attract persons under the age of 18 years.

(2) The Board may, by written notice to a licensee, declare any advertisement or form of advertising undesirable on any of the grounds specified in subregulation (1).

(3) No licensee shall use any advertisement that has been declared undesirable by the Board.

Period of retention of records

7. All records required to be kept by a licensee in terms of these regulations shall be retained by the licensee for a period of at least five years, or such other period as may be determined or approved by the Board.

Accessibility of records

8. Each licensee shall keep such records as determined by the Board and all records shall be organised and indexed in such a manner to provide immediate accessibility to the Board.

Board may issue temporary licence

9. The Board may, in its discretion, issue a temporary licence to the executor, trustee or guardian or a relative of the deceased or disabled person, pending action on an application for a licence by the successor in interest of the deceased or disabled person.

Fees for copies or extracts

10. (1) An interested person may request a copy or extract of any document which is available for public inspection in terms of the Act or these regulations.

(2) A copy or extract requested in terms of subregulation (1) shall be made available upon payment of a fee to the Board of R2.00 per page or part thereof, or such other amount as determined by the Board from time to time.

Amusement games

11. (1) For the purposes of this Act, the playing of an amusement game shall not constitute gambling.

(2) The maximum prize that may be won in an amusement game on an amusement machine shall be limited to a non-cash prize with a retail value not exceeding R50.00 or such other amount as prescribed by the National Regulations, from time to time.

Reasons for decisions by competent authority

12. The competent authority shall, after receipt of the application referred to in section 65 of the Act, within 90 days or such other period as prescribed by the Promotion of Administrative Justice Act, 2000 (Act No.3 of 2000) from time to time; and in writing; furnish its reasons for the decision concerned.

CHAPTER 2 APPLICATIONS

General

13. (1) Any licence, registration, certificate of suitability, authorisation or approval granted by the Board shall be deemed to be revocable, contingent upon continuous suitability for licensing, registration, authorisation or approval and, without limiting the Board's right to conduct an investigation, the Board shall have the right at any time to call for such information, to be submitted to it within 14 days or such longer period as it may allow, as the Board may deem necessary to satisfy itself as to such continuous suitability.

(2) Any person applying for a licence, registration, certificate of suitability, authorisation or approval will bear the onus to satisfy the Board that he or she is qualified to be granted such licence, registration, certificate, authorisation or approval, as the case may be.

(3) The Board shall not be liable for any act or omission done or conduct carried out in good faith in the execution of its duties in terms of the Act, Rules or these regulations.

(4) The officials, employees and agents of the Board shall not be held liable for any act or omission done or conduct carried out in the execution of their duties in terms of the Act, Rules, these regulations or in terms of a delegation granted to such officials, employees or agents by the Board.

Waiver of privilege

14. An applicant or any person who made a statement or testified in support of the application may claim any right afforded by the Constitution of the Republic of South Africa in refusing to answer questions by the Board: Provided that a failure by the applicant or such person to respond to the inquiries or answer the questions, will be taken into account by the Board in its assessment of the applicant's suitability and fitness when considering the application.

Applications for licences, certificates of suitability and consent for procurement of a financial interest in a licensee

15. (1) It is a ground for denial of an application and an offence for any person to make any false statement of material fact in any application submitted to the Board, or to omit to state in any such application any material fact which is required to be stated therein, or omit to state a material fact necessary to make the facts stated in view of the circumstances under which they were stated, not misleading.

(2) All information required to be included in an application must be true and complete as of the date of the Board action sought by such application; and an applicant shall promptly supply by amendment prior to such date any information based on facts occurring after the original application so as to make such information not misleading as of the date of such action by the Board.

(3) Persons who obtain a request for application shall be given an opportunity to obtain clarification on the request for application for the period of time as stipulated in the relevant request for application: Provided that where the request for clarification deals with an issue which, in the opinion of the Board, is relevant to other persons who have acquired a request for application, the Board shall make available the details of the request and the reply thereto to all persons who have obtained the request for application.

(4) An application may be amended in any respect at any time prior to final action thereon by the Board: Provided that the provisions contained in the Act and these regulations in respect of the advertisement and lodgement of applications shall apply *mutatis mutandis* to any amendment deemed by the Board of a substantial nature.

(5) Any amendment to an application shall have the effect of establishing the date of such amendment as the new date of submission of such application with respect to the time requirements for action on such application.

(6) Any person, other than an institutional investor or a central securities depository, who, directly or indirectly, procures a controlling interest or a financial interest of five percent or more in the business to which a licence relates shall, within 14 days of the procurement of such interest, apply to the Board in writing for approval to hold such interest.

(7) Any institutional investor who, directly or indirectly, procures a financial interest of –

(a) not less than five percent but less than fifteen percent in the business to which a licence relates shall, within 14 days of the procurement of such interest, inform the Board in writing thereof; or

(b) fifteen percent or more in the business to which a licence relates shall, within 14 days of the procurement of such interest, apply to the Board in writing for approval to hold such interest.

(8) Where the Board does not grant approval to hold such controlling or financial interest in the business to which a licence relates, the person or institutional investor shall dispose of such interest in the licence holder within 90 days of notification by the Board.

(9) The notice contemplated in section 24(2)(b) of the Act shall –

(a) contain the material particulars of the application; and

(b) invite interested persons to lodge their written objections in relation thereto with the Chief Executive Officer of the Board within 30 days after the date of publication of the notice of the application.

Withdrawal of application

16. An application may be withdrawn in writing at any time prior to final action thereupon by the Board: Provided that the withdrawal of an application shall not entitle an applicant to a refund of the application fees or investigation expenses payable by that applicant in terms of the Act or these regulations or any portion of such fees or expenses.

Opportunity to rectify disqualifying circumstances

17. An applicant who is subject to any disqualification in terms of the Act, shall, prior to disqualification, be granted a reasonable period, as determined by the Board, to rectify the disqualifying circumstances.

CHAPTER 3 EMPLOYEE REGISTRATION

General provisions

18. (1) A licensee shall, within 14 days of termination of the employment of an employee, notify the Board in writing of such termination and the reasons therefore and surrender his or her certificate of approval to the Chief Executive Officer.

(2) A licensee shall, in respect of every employee required to be registered in terms hereof, keep a copy of such employee's certificate on the employment record of that employee at the licensed premises.

(3) Any information that comes to the attention of a licensee which may affect the suitability of an employee to be registered or licensed, must be brought to the attention of the Board within 14 days of such information coming to the licensee's attention.

(4) Each employee shall provide the Board with such updated information, as determined by the Board.

(5) A licensee may outsource gambling occupations with the prior approval of the Board: Provided that such outsourced operations must apply for certificates of suitability and all such employees must be registered or licensed by the Board, unless such employee holds a national employee licence.

(7) A person shall be disqualified for a certificate of approval or other licence or to hold a financial interest in a licence if that person has been sentenced to a fine exceeding R 3,000 or such other amount as prescribed by the National Regulations from time to time, in the circumstances contemplated in sections 22(1)(a)(vi) and 55A(1)(i) of the Act.

Key employees

19. (1) The Board may, upon written notification, declare any position, function or individual to be a key position, key function or key employee for purposes of these regulations.

(2) For the purposes of subregulation (1), the Board shall not be restricted by the title of the position or individual, but shall consider the functions and responsibilities of the person or position involved in making its decision as to key employee status.

(3) The following employees shall be classified as key employees for the purposes of these regulations –

- (a) the senior management of the licensee;
- (b) if the licensee is a corporate body, every director, officer or equivalent of such corporate body;
- (c) any individual who has the authority to hire personnel or terminate the employment of personnel;
- (d) any executive, employee or agent of a licensee having the power to exercise a significant influence over decisions concerning any part of the gambling operations of such licensee;
- (e) any individual who has been specifically represented to the Board by a licensee, officer or director thereof as being important or necessary to the operation of the licensee; and
- (f) all persons who individually or as part of a group formulate management policy.

Other employees

20. (1) All persons, other than key employees, who are employed who are directly involved in the conduct of gambling operations shall be registered or licensed by the Board.

(2) The Board may, upon written notification, declare any occupation to be a casino, bingo, route, manufacturing, maintenance, supplier, independent site, totalisator operator, totalisator branch or totalisator agency, bookmaker, racecourse or site occupation for the purposes of these regulations.

CHAPTER 4 INVESTIGATIONS

Investigative expenses

21. (1) All reasonable direct expenses, including the cost of the investigator/s, payable to the Board in terms of section 25 of the Act shall be paid to the Board in the manner prescribed by this regulation.

(2) The Board may estimate the investigative expenses and require a deposit to be paid in advance as a condition precedent to beginning or continuing an investigation.

(3) The Board may, at any stage during an investigation, require additional deposits for the payment of investigative expenses.

(4) The Board shall furnish the person in respect of whom the investigation is conducted with an account of investigative expenses and refund any excess money deposited with the Board by or on behalf of such person pursuant to subregulation (2) and (3) or require payment of any outstanding investigative expenses, as the case may be.

(5) It shall be in the discretion of the Board whether or not take final action on any application unless all investigative fees and costs have been paid in full.

CHAPTER 5 DISPUTES

Claims

22. A disputed claim for payment of a gambling debt may be resolved by the Board in accordance with this chapter.

Resolution of dispute

23. (1) Whenever a dispute arises between a licensee and a player in respect of an alleged gambling debt and the licensee and player are unable to resolve the dispute to the satisfaction of both parties, the licensee shall inform the player that the dispute will be referred to the Board and inform the Board of the nature of the dispute and the circumstances that led to it, within 14 days of the incident as a result of which the dispute arose.

(2) The provisions of subregulation (1) shall not preclude a player from lodging a complaint directly with the Board.

(3) Staff of the Board shall investigate every dispute contemplated in subregulation (1) to determine whether payment should be made within 30 days after the date on which the Board first receives notification of the dispute.

(4) The decision of the staff of the Board is effective on the date the parties receive a written notice of the decision.

Request for reconsideration by Board

24. (1) Within 14 days after the date of receipt of the written decision of the staff of the Board in terms of regulation 23, any of the parties may request the Board in writing for a reconsideration of the decision.

(2) The request contemplated in subregulation (1) must set forth the basis of the request for reconsideration.

(3) If no request for reconsideration is filed within the time prescribed in subregulation (1), the decision shall be final and is not subject to reconsideration by the Board.

(4) If a request contemplated in subregulation (1) is filed with the Board, the Board may conduct an investigation, hearing or enquiry in accordance with section 20 of the Act.

Burden of proof on party seeking reconsideration

25. The party seeking reconsideration bears the burden of showing that the decision of the staff of the Board should be reversed or modified.

Decision of Board

26. If a request is filed with the Board in terms of regulation 24(1), the Board may uphold, modify or reverse the decision of the staff of the Board in terms of regulation 23(3).

Payment of claim after decision of Board

27. (1) All disputed gambling debts shall be paid within 21 days after the decision of the staff of the Board in terms of regulation 23(3) or the Board in terms of regulation 26, as the case may be.

(2) If a player fails to make payment of the full amount of the debt within the time period referred to in subregulation (1), the player will be guilty of an offense in terms of section 80 of the Act.

(3) Failure by a licensee to make payment of the full amount of a disputed gambling debt within the time period referred to in subregulation (1), the Board may take such disciplinary action against the licensee it deems fit.

CHAPTER 6 HEARINGS

Proceedings at hearings

28. The proceedings at a hearing shall, in so far as it has not been prescribed, be determined by the Board or the person presiding at the hearing.

Evidence at hearing

29. The hearing need not be conducted according to technical rules of evidence applicable in a court of law.

Record of proceedings at hearing

30. (1) The Board shall cause minutes to be kept of proceedings at any hearing.

(2) Oral evidence shall be recorded by such means to adequately ensure the preservation of such evidence and shall be retained by the Board for such a period as contemplated in the National Archives and Record Service of South Africa Act, 1996 (Act No. 43 of 1996), read with the Mpumalanga Archive Act, 1998 (Act No. 14 of 1998).

(3) The recordings contemplated in subregulation (2) shall be transcribed on request of any person involved in the hearing, at the cost of such person.

CHAPTER 7 CHEATING

Cheating prohibited

31. No person may cheat at any gambling game.

Use of certain devices prohibited

32. (1) No person may at a licensed premises use or possess with the intent to use, any device to assist –

- (a) in projecting the outcome of a game;
- (b) in keeping track of the cards played;
- (c) in analysing the probability of the occurrence of an event relating to a game; or
- (d) in analysing the strategy for playing or betting to be used in a game,

unless such device has been approved by the Board in writing.

(2) The provisions of subregulation 40(1) shall not be deemed to prohibit –

- (a) the making and referring to handwritten records of the cards played at punto banco or baccarat; or
- (b) the making and referring to handwritten records of roulette results.

Fraudulent acts

33. (1) No person may –

- (a) alter or misrepresent the outcome of a gambling game or other event on which wagers have been made after the outcome is determined but before it is revealed to the players;
- (b) place, increase or decrease a bet or determine the course of play after acquiring knowledge, not available to all players, of the outcome of a gambling game or any event that affects the outcome of a gambling game or aid anyone in acquiring such knowledge for the purpose of placing, increasing or decreasing a bet or determining the course of play of a gambling game;
- (c) claim, collect or take, or attempt to claim, collect or take, money or anything of value from any gambling activity which such person is not legally entitled to claim collect or take or claim, collect or take an amount of money or anything of value greater than that to which such person is legally entitled;
- (d) place or increase a bet after acquiring knowledge of the outcome of a gambling game or other event which is the subject of the bet;
- (e) reduce the amount wagered or cancel the bet after acquiring knowledge of the outcome of a gambling game or other event which is the subject of the bet; or
- (f) manipulate, with the intent to cheat, any component of a gambling device in a manner contrary to the design and normal operation of that component, with knowledge that the manipulation affects the outcome of the game or with knowledge of any event that affects the outcome of the game.

Use of counterfeit, unapproved or unlawful wagering instruments

34. No person may, directly or indirectly, use counterfeit chips or other counterfeit wagering instruments in a gambling game or have such chips or wagering instruments in his or her possession.

CHAPTER 8 CASH TRANSACTIONS

Prohibited transactions by licensees

35. (1) Cash shall not be exchanged for cash except to enable the player to participate in gambling where cash is used as the stake or for the purpose of converting such cash after participation in gambling.

(2) A cheque or other negotiable instrument shall not be issued nor shall any transfer of funds be effected to or on behalf of a player in exchange for cash, other negotiable instrument, chips or tokens, unless the licensee is satisfied that the player has genuinely participated in gambling.

PART II – CASINOS
CHAPTER 9
STAKES, PRIZES, CREDIT EXTENSION AND SURVEILLANCE SYSTEMS

Gambling machines

36. Gambling machines exposed for play in casinos must have a theoretical and demonstrable return to players of not less than 80 percent.

Credit extension

37. (1) A licensee may extend credit to its players for the sole purpose of enabling participation in a gambling activity authorised by its licence, by the player to whom the credit is extended.

(2) The procedures for the approval, issue, redemption and collection of credit shall be contained in the licensee's internal control procedures and shall be subject to the Board's approval.

(3) The extension and collection or non-collection of credit by a licensee shall not be taken into account in the calculation of that licensee's gross gambling revenue.

(4) Failure by a licensee to deposit for collection a negotiable instrument by the next banking day following receipt shall be deemed an extension of credit.

Surveillance systems

38. Every licensee shall install, maintain and operate at all times a surveillance system which shall comply with the requirements provided for in the Rules.

CHAPTER 10 ACCOUNTING RECORDS AND RETURNS

Accounting records

39. (1) Each licensee shall, in such manner determined or approved by the Board, keep accurate, complete, legible and permanent records of all transactions.

(2) Each licensee shall keep generally accepted accounting records on a double entry system of accounting, maintaining detailed, supporting subsidiary records, identifying revenue, expenses, assets, liabilities and equity and any other records that the Board specifically requires to be maintained and –

- (a) individual game records to reflect drop, win, and the percentage of win to drop by table for each table game, and to reflect drop, win and the percentage of win to drop for each type of table game, either by each shift or other accounting period approved by the Board and individual game records reflecting similar information for all other games;
- (b) gambling machine analysis reports which for each machine reflect turnovers and payouts and compare actual hold percentages to theoretical hold percentages on a weekly, monthly, quarterly, annual and 12 month rolling basis;
- (c) the records required by the licensee's internal control procedures; and
- (d) any other records that the Board specifically requires to be maintained.

Audited financial statements

40. (1) Each licensee shall, after the end of each financial year of the licensee, prepare annual financial statements in accordance with the applicable auditing standards.

(2) Each licensee shall engage an independent registered auditor, approved by the Independent Regulatory Board of Auditors (IRBA), who shall audit the licensee's annual financial statements in accordance with the applicable auditing standards.

(3) Each licensee shall submit to the Board two copies of its audited annual financial statements, and any reports communicating the results of the audit, including management letters, not later than 120 days or such extended period as the Board may determine, after the last day of the licensee's financial year.

(4) The Board may request additional information or documents from either the licensee or the auditor of the licensee, through the licensee, regarding the financial statements or the services performed by the auditor.

(5) The independent auditor shall evaluate and report on the licensee's compliance with its internal control procedures, which shall be submitted to the Board together with the audited financial statements.

Returns to be rendered

41. Each licensee shall, in the manner and format determined by the Board, submit such information at such intervals as the Board may determine.

CHAPTER 11 REGISTRATION AND MAINTENANCE OF GAMBLING DEVICES AND EQUIPMENT

Certain equipment to be registered

42. A licensee shall not keep or maintain any of the following equipment which has not, on application, been separately approved and registered by the Board –

- (a) roulette table layouts;
- (b) blackjack table layouts;
- (c) craps table layouts;
- (d) punto banco table layouts;
- (e) baccarat table layouts;
- (f) poker table layouts;
- (g) gambling machines; and
- (i) such other equipment as the Board may determine.

Maintenance of registered equipment

43. Subject to any provision contained in the Rules in respect of the conversion or modification of gambling machines, a licensee shall not alter the operation of registered equipment without the prior approval of the Board and shall maintain all equipment in a suitable condition.

Other gambling equipment to be of approved type

44. Subject to regulation 54, a licensee shall not keep or expose for play any other equipment which may be used in the operation of a gambling game other than equipment which –

- (a) has been supplied by a licensed manufacturer or supplier; and
- (b) is identical in all material aspects to equipment approved by the Board for distribution by the manufacturer or supplier.

Records to be kept by licensee

45. A licensee shall keep such records in respect of equipment contemplated in regulations 54 and 56 as the Board may require or approve.

CHAPTER 12 INTERNAL CONTROLS

Minimum internal controls

46. (1) Each licensee shall establish and maintain a manual containing the standards, procedures and controls implemented to ensure the integrity of its operations, which shall include administrative and accounting procedures for the purpose of determining the licensee's liability for levies and fees under the Act and for the purpose of exercising effective control over the licensee's internal financial affairs and which shall, at a minimum, contain those elements and procedures required by these regulations and the Rules.

(2) The procedures must be designed to reasonably ensure that –

- (a) assets are safeguarded;
- (b) financial records are accurate and reliable;
- (c) transactions are performed only in accordance with management's general or specific authorisation;
- (d) transactions are recorded adequately to permit proper reporting of gambling revenue and of fees and taxes;
- (e) functions, duties and responsibilities are appropriately segregated and performed in accordance with sound practices by competent, qualified personnel; and
- (f) IT controls are effective.

(3) The manual required in terms of subregulation (1) shall be referred to in these regulations as internal control procedures.

Internal control procedures to be submitted to the Board

47. (1) Each licensee and each applicant for a licence shall submit its internal control procedures to the Board prior to implementation thereof.

(2) The internal control procedures submitted must include –

- (a) an organisational chart depicting segregation of functions and responsibilities;
- (b) a description of the duties and responsibilities of each position shown on the organisational chart;
- (c) a detailed, narrative description of the administrative and accounting procedures designed to satisfy the requirements of regulation 58;
- (d) a letter from an independent chartered accountant stating that the internal control procedures has been reviewed by the accountant and complies with the requirements of this chapter; and
- (e) such further information as the Board may require.

(3) If the Board determines that an applicant or licensee's internal control procedures do not comply with the requirements of these regulations or the Rules, it shall so notify the applicant or licensee in writing.

Amendment of internal control procedures

48. (1) A licensee wishing to amend its internal control procedures shall, prior to implementing such amendment, submit to the Board the amended internal control procedures.

(2) The provisions of regulation 47 shall *mutatis mutandis* apply to the amendment, contemplated in subregulation (1): Provided that regulation 47(2)(d) shall only apply if the amendment is of a material nature which may affect compliance with the requirements of this Chapter.

CHAPTER 13 PROGRESSIVE CASINO GAMES

Progressive jackpot displays, meters and limits

49. (1) A meter that shows the current amount of the progressive jackpot must be conspicuously displayed at or near the casino game to which such jackpot applies. At least once a day, the licensee shall record the amount shown on each progressive jackpot meter at the licensee's gambling establishment. Explanations for any meter reading decrease must be recorded, and where the explanation for a decrease is the payment of a jackpot, the licensee shall also record the jackpot payout form number or have such number reasonably available. Each licensee shall record the base amount of each progressive jackpot the licensee offers.

(2) A licensee may limit a progressive jackpot to an amount that is equal to or greater than the current amount of the jackpot at the time when such limit is imposed. In the event of the imposition of a limit, the licensee shall post a conspicuous notice of such limit at or near the casino game to which such limit applies.

Reductions of progressive jackpots

50. A licensee shall not reduce the amount displayed on a progressive jackpot meter or otherwise reduce, withdraw or eliminate a progressive jackpot unless –

- (a) a player wins such jackpot;
- (b) the licensee adjusts the progressive jackpot meter to correct a malfunction or to prevent the display of an amount greater than the limit imposed pursuant to Regulation 61(2), and the licensee documents such adjustment and the reasons therefor; or
- (c) the licensee withdraws the progressive jackpot, retains the base amount of such jackpot as a fixed jackpot and transfers the incremental amount, being the amount in excess of the base amount, to another progressive jackpot at the licensee's establishment, and –
 - (i) the licensee documents the transfer;
 - (ii) such incremental amount is transferred to the same type of casino game; and
 - (iii) the transfer is completed within 10 days after the progressive jackpot is withdrawn from play or within such longer period as the Board may, on good cause shown, approve.

CHAPTER 14 MINIMUM CASINO BANKROLL REQUIREMENTS

Minimum casino bankroll requirements

51. (1) Each licensee shall maintain, in such a manner and amount as the Board may approve or require, cash or cash equivalents in an amount sufficient to reasonably protect the licensee's players against defaults in respect of gambling debts owed by the licensee.

(2) The Board shall distribute to licensees and make available to all interested persons a formula by which licensees shall determine the minimum casino bankroll requirements.

(3) If at any time the licensee's available cash or cash equivalents become less than the amount required in terms of subregulation (2), the licensee must immediately notify the Board of such deficiency and the extent thereof.

(4) Failure to maintain the minimum casino bankroll required by this regulation, or such higher bankroll as may be required by the Board pursuant to this regulation, or failure to comply with subregulation (3), is an offence.

PART III - BINGO OPERATORS
CHAPTER 15
STAKES, PRIZES, CREDIT EXTENSION AND SURVEILLANCE SYSTEMS

Stakes

52. The maximum amount, including participation fee, which may be charged to participate in a game of bingo, shall be determined by the Board.

Prizes

53. Bingo games shall render a theoretical and demonstrable return to players of not less than 75 percent.

Credit extension prohibited

54. (1) A licensee shall not, directly or indirectly, whether in his or her own name or that of a third party, extend credit in any form whatsoever to any player, or assist any player in obtaining credit, for the purpose of participating in a game of bingo.

(2) Failure by a licensee to deposit for collection a negotiable instrument by the next banking day following receipt shall be deemed an extension of credit.

Surveillance systems

55. The Board may require the holder of a bingo licence to install a surveillance system, approved by the Board, on the premises to which the licence relates.

CHAPTER 16 ACCOUNTING RECORDS AND RETURNS

Accounting records

56. (1) Each licensee shall, in such manner as the Board may approve or require, keep accurate, complete, legible and permanent records of all transactions.

(2) Each licensee shall keep generally accepted accounting records on a double entry system of accounting, maintaining detailed, supporting subsidiary records, identifying revenue, expenses, assets, liabilities and equity and any other records that the Board specifically requires to be maintained.

Audited financial statements

57. (1) Each licensee shall, after the end of each financial year of the licensee, prepare annual financial statements in accordance with the applicable auditing standards.

(2) Each licensee shall engage an independent registered auditor, approved by the Independent Regulatory Board of Auditors (IRBA), who shall audit the licensee's annual financial statements in accordance with the applicable auditing standards.

(3) Each licensee shall submit to the Board two copies of its audited annual financial statements, and any reports communicating the results of the audit, including management letters, not later than 120 days or such extended period as the Board may determine after the last day of the licensee's financial year.

(4) The Board may request additional information or documents from either the licensee or the auditor of the licensee, through the licensee, regarding the financial statements or the services performed by the auditor.

(5) The independent auditor referred to in subregulation (2) shall evaluate and report on the licensee's compliance with its internal control procedures, which report shall be submitted to the Board with the audited financial statements required in terms of subregulation (3).

Returns to be rendered

58. Each licensee shall, in the manner and format determined by the Board, submit such information at such intervals as the Board may determine.

CHAPTER 17 INTERNAL CONTROLS

Minimum internal controls

59. (1) Each licensee shall establish and maintain a manual containing the standards, procedures and controls implemented to ensure the integrity of its operations, which shall include administrative and accounting procedures for the purpose of determining the licensee's liability for levies and fees under the Act and for the purpose of exercising effective control over the licensee's internal financial affairs and which shall, at a minimum, contain those elements and procedures required by these regulations and the Rules.

(2) The procedures must be designed to reasonably ensure that –

- (a) assets are safeguarded;
- (b) financial records are accurate and reliable;
- (c) transactions are performed only in accordance with management's general or specific authorisation;
- (d) transactions are recorded adequately to permit proper reporting of gambling revenue and of fees and taxes;
- (e) functions, duties and responsibilities are appropriately segregated and performed in accordance with sound practices by competent, qualified personnel; and
- (f) IT controls are effective.

(3) The manual required in terms of subregulation (1) is referred to in these regulations as internal control procedures.

Internal control procedures to be submitted to the Board

60. (1) Each licensee and each applicant for a licence shall submit its internal control procedures to the Board prior to implementation thereof.

(2) The internal control procedures submitted must include –

- (a) an organisational chart depicting segregation of functions and responsibilities;
- (b) a description of the duties and responsibilities of each position shown on the organisational chart;
- (c) a detailed, narrative description of the administrative and accounting procedures designed to satisfy the requirements of regulation 71;
- (d) a letter from an independent chartered accountant stating that the internal control procedures have been reviewed by the accountant and complies with the requirements of this chapter; and
- (e) such further information as the Board may require.

(3) If the Board determines that an applicant's or licensee's internal control procedures do not comply with the requirements of these regulations or the Rules, it shall so notify the applicant or licensee in writing.

Amendment of internal control procedures

61. (1) A licensee wishing to amend its internal control procedures shall, prior to implementing such amendment, submit to the Board the amended internal control procedures.

(2) The provisions of regulation 60 shall *mutatis mutandis* apply to the amendment, contemplated in subregulation (1): Provided that regulation 60(2)(d) shall only apply if the amendment is of a material nature which may affect compliance with the requirements of this Chapter.

CHAPTER 18 REGISTRATION AND MAINTENANCE OF EQUIPMENT

Equipment to be of approved type and registered

62. (1) A licensee shall not keep or expose for play any equipment which may be used in the operation of a bingo game other than equipment which –

- (a) has been supplied by a licensed manufacturer or supplier;
- (b) is identical in all material aspects to equipment approved by the Board for distribution by the manufacturer or supplier;
- (c) has on application in the manner and form determined by the Board, been separately registered by the Board, if so determined by the Board; and
- (d) The distribution of bingo equipment for use in the Province shall be with the prior approval of the Board, in such manner and form as determined by the Board.

Maintenance of registered equipment

63. A licensee shall not alter the operation of registered equipment without the prior approval of the Board and shall maintain all equipment in a suitable condition.

Records to be kept by licensee

64. A licensee shall keep such records in respect of equipment contemplated in regulation 74 as the Board may require or approve.

CHAPTER 19 MINIMUM CASH REQUIREMENTS

Minimum cash requirements

65. (1) Each bingo licensee shall maintain, in such manner and amount as the Board may approve or require, cash or cash equivalents in an amount sufficient to reasonably protect the licensee's players against defaults in gambling debts owed by the licensee.

(2) The Board shall distribute to licensees and make available to all interested persons a formula by which licensees determine the minimum cash requirements in terms of this regulation.

(3) If at any time the licensee's available cash or cash equivalents should be less than the amount required by this regulation, the licensee must immediately notify the Board of this deficiency.

(4) Failure to maintain the minimum cash required by this regulation, or a higher bankroll as required by the Board pursuant to this regulation, or failure to notify the Board of any deficiencies, is an offence.

**PART IV – LIMITED PAYOUT MACHINES
CHAPTER 20
GENERAL REQUIREMENTS**

Stakes

66. (1) For the purposes of this regulation, a stake is the total Rand value of all cash and/or credits put at risk at the commencement of a limited payout machine game or during a single limited payout machine game.

(2) The maximum aggregate stake with which to commence a limited payout machine game and play it to its conclusion is R5.00 or such other amount as prescribed by the National Regulations, from time to time.

(3) No double-up is allowed on a limited payout machine.

Prizes

67. (1) The maximum aggregate prize payable in respect of a limited payout machine game is R500.00 or such other amount as prescribed by the National Regulations, from time to time.

(2) A prize won on a limited payout machine game must be accrued to the winner as credits or paid to the winner in Rand denominated currency: Provided that the payment of a prize may be made by way of cheque on request or with the consent of the winner.

(3) No benefit may be effected to or accepted by the winner of a limited payout machine game in addition to a prize won on such a limited payout machine game.

Prizes to be displayed

68. All winning combinations, together with the corresponding prizes must be clearly displayed or be able to be easily accessed by the player, on every limited payout machine exposed for play.

Return to players

69. Limited payout machines exposed for play must have a return to players of not less than 75 percent.

Progressive jackpots

70. (1) Progressive jackpots are not allowed in respect of limited payout machines.

(2) No limited payout machine or licensee may offer any prize in excess of or in addition to the maximum prize contemplated in regulation 79.

Credit extension

71. (1) A licensee may not, directly or indirectly, whether in his or her own name or that of a third party, extend credit, in any form whatsoever, to any person, or assist any person in obtaining credit for the purpose of playing on, or operating, a limited payout machine.

(2) For the purposes of this regulation, credit extension includes advancement of cash by the licensee against a person's credit card or cheque.

(3) Failure by a licensee to deposit for collection a negotiable instrument by the next banking day following receipt shall be deemed an extension of credit.

Internal controls

72. (1) Each licensee shall establish and maintain a manual containing the standards, procedures and controls implemented to ensure the integrity of its operations, which shall include administrative and accounting procedures for the purpose of determining the licensee's liability for levies and fees under the Act and for the purpose of exercising effective control over the licensee's internal financial affairs and which shall, at a minimum, contain those elements and procedures required by these regulations and the Rules.

(2) Each licensee and each applicant for a licence shall submit its internal control procedures to the Board prior to implementation thereof.

(3) If the Board determines that an applicant or licensee's internal control procedures do not comply with the requirements of these regulations or the Rules, it shall so notify the applicant or licensee in writing.

(4) A licensee wishing to amend its internal control procedures shall, prior to implementing such amendment, submit to the Board the amended internal control procedures.

CHAPTER 21 ROUTE OPERATORS

Limited payout machines available per site

73. A route operator must make available for play the number of limited payout machines on a site that the relevant site is licensed for, unless the Board approves otherwise.

Limited payout machines to be registered

74. (1) A licensee shall not keep or maintain any limited payout machine or equipment which has not, on written application in the manner and form determined by the Board, been separately approved and registered by the Board.

(2) The distribution of limited payout machines for use in the Province shall be with the prior approval of the Board, in such manner and form as determined by the Board.

Maintenance of limited payout machines

75. Subject to the provisions in the Rules in respect of the conversion and modification of limited payout machines, a licensee shall not alter the operation of a registered limited payout machine or equipment without the prior approval of the Board and shall maintain the limited payout machines and equipment in a suitable condition.

Records to be kept by licensee

76. Each licensee shall keep such records in respect of machines and equipment contemplated in regulations 86 and 87, as determined by the Board.

Accounting records

77. Each licensee shall, in such manner as the Board may approve or require, keep accurate, complete, legible and permanent records of all transactions.

Audited financial statements

78. (1) Each licensee shall, after the end of each financial year of the licensee, prepare annual financial statements in accordance with the applicable auditing standards.

(2) Each licensee shall engage an independent registered auditor, approved by the Independent Regulatory Board of Auditors (IRBA), who shall audit the licensee's annual financial statements in accordance with the applicable auditing standards.

(3) Each licensee shall submit to the Board two copies of its audited annual financial statements, and any reports communicating the results of the audit, including management letters, not later than 120 days or such extended period as the Board may determine after the last day of the licensee's financial year.

(4) The Board may request additional information or documents from either the licensee or the auditor of the licensee, through the licensee, regarding the financial statements or the services performed by the auditor.

(5) The independent auditor referred to in subregulation (2), shall evaluate the licensee's compliance with its internal control procedures, which shall be submitted to the Board together with the audited financial statements required in terms of subregulation (3).

Returns to be rendered

79. Each licensee shall, in the manner and format determined by the Board, submit such information at such intervals as the Board may determine.

Mandatory departments

80. Every licensee shall establish and maintain mandatory departments which shall comply with the requirements provided for in the Rules.

Internal audit function

81. Every licensee shall establish and maintain an internal audit function which shall comply with the requirements provided for in the Rules.

CHAPTER 22 SITE OPERATORS

Unsuitable locations of sites

82. The Board may deny an application for a site licence, if the Board deems the place or location for which the licence is sought to be unsuitable for the conduct of such gambling.

Minimum requirements for sites

83. Every licensee shall comply with the minimum requirements for sites provided for in the Rules.

Layout of site

84. (1) Upon application for a site operator licence, an applicant shall submit with the application a clear and legible floor plan, together with photographs of the exterior and interior of the business and a written description of the primary business, for approval by the Board, prior to any gambling activity being conducted on such site.

(2) The floor plan contemplated in subregulation (1) shall be representative and proportional, and shall include specific reference to the size of the premises through the use of detailed measurements.

(3) The floor plan contemplated in subregulation (1) shall depict the number of limited payout machines to be exposed for play and their location within the establishment in a manner which shall provide adequate supervision of each limited payout machine and which shall depict –

- (a) an unobstructed view of each limited payout machine from the point of supervision;
- (b) any mirrors necessary to maintain adequate supervision; or
- (c) any surveillance equipment that will be used for supervision.

(4) Where the premises to which an application for a site operator licence relates are accessible to persons under the age of 18 years, no such licence shall be issued unless there is a separate cordoned off area wherein all limited payout machines are to be located: Provided that such limited payout machines may be located in a restricted part, as contemplated in the Liquor Act, 2003 (Act No. 59 of 2003), from which access by persons under the age of 18 years is restricted or excluded.

(5) Any amendment to the floor plan shall be accompanied by a revised floor plan incorporating the relevant changes and such amendment shall be subject to the Board's approval, prior to the implementation thereof.

Hours of operation

85. In granting a site operator licence the Board may, after taking into consideration the locality of the site, determine or limit the hours of operation of the site.

Minimum operational responsibilities for licensees

86. Every licensee shall comply with the minimum operational responsibilities provided for in the Rules.

Surveillance systems

87. The Board may require the holder of a site operator licence to install a surveillance system, approved by the Board, on the premises to which the licence relates.

88. Each licensee, shall, in such manner as the Board may approve or require, keep accurate, complete, legible and permanent records of all transactions.

Returns to be rendered

89. Each licensee shall, in the manner and format determined by the Board, submit such information at such intervals as the Board may determine.

CHAPTER 23 INDEPENDENT SITE OPERATORS

Licence to be issued to juristic persons only

90. Where an applicant applies to own and operate more than 5 limited payout machines as an independent site operator, the applicant shall be a juristic person.

Unsuitable locations of sites

91. The Board may deny an application for an independent site licence, if the Board deems the place or location for which the licence is sought to be unsuitable for the conduct of such gambling.

Machines available per independent site

92. An independent site operator must make available for play the number of limited payout machines on an independent site that the relevant site is licensed for, unless the Board approves otherwise.

Minimum requirements for independent sites

93. Every licensee shall comply with the minimum requirements for independent sites provided for in the Rules.

Limited payout machines to be registered

94. (1) A licensee shall not keep or maintain any limited payout machine or equipment which has not, on written application in the manner and form determined by the Board, been separately approved and registered by the Board.

(2) The distribution of limited payout machines for use in the Province shall be with the prior approval of the Board, in such manner and form as determined by the Board.

Maintenance of limited payout machines

95. Subject to the provisions in the Rules in respect of the conversion and modification of limited payout machines, a licensee shall not alter the operation of a registered limited payout machine or equipment without the prior approval of the Board and shall maintain the limited payout machines and equipment in a suitable condition.

Records to be kept by licensee

96. Each licensee shall keep such records in respect of machines and equipment contemplated in regulations 106 and 107, as determined by the Board.

Layout of site

97. (1) Upon application for an independent site operator licence, an applicant shall submit with the application a clear and legible floor plan, together with photographs of the exterior and interior of the business and a written description of the primary business, for approval by the Board, prior to any gambling activity being conducted on such site.

(2) The floor plan contemplated in subregulation (1) shall be representative and proportional, and shall include specific reference to the size of the premises through the use of detailed measurements.

(3) The floor plan contemplated in subregulation (1) shall depict the number of limited payout machines to be exposed for play and their location within the establishment in a manner which shall provide adequate supervision of each limited payout machine and which shall depict –

- (a) an unobstructed view of each limited payout machine from the point of supervision;
- (b) any mirrors necessary to maintain adequate supervision; or
- (c) any surveillance equipment that will be used for supervision.

(4) Where the premises to which an application for an independent site operator licence relates are accessible to persons under the age of 18 years, no such licence shall be issued unless there is a separate cordoned off area wherein all limited payout machines are to be located: Provided that such limited payout machines may be located in a restricted part, as contemplated in the Liquor Act, 2003 (Act No. 59 of 2003), from which access by persons under the age of 18 years is restricted or excluded.

(5) Any amendment to the floor plan shall be accompanied by a revised floor plan incorporating the relevant changes and such amendment shall be subject to the Board's approval, prior to the implementation thereof.

Hours of operation

98. In granting an independent site operator licence the Board may, after taking into consideration the locality of the site, determine or limit the hours of operation of the site.

Minimum operational responsibilities for licensees

99. Every licensee shall comply with the minimum operational responsibilities provided for in the Rules.

Surveillance systems

100. The Board may require the holder of an independent site operator licence to install a surveillance system, approved by the Board, on the premises to which the licence relates.

Mandatory departments

101. Every licensee shall establish and maintain mandatory departments which shall comply with the requirements provided for in the Rules.

Internal audit function

102. Every licensee shall establish and maintain an internal audit function which shall comply with the requirements provided for in the Rules.

Accounting records

103. Each licensee shall, in such manner as the Board may approve or require, keep accurate, complete, legible and permanent records of all transactions.

Audited financial statements

104. (1) Each licensee shall, after the end of each financial year of the licensee, prepare annual financial statements in accordance with the applicable corporate law in terms of which the entity is registered, i.e. the Companies Act, 2008 (Act No. 71 of 2008).

(2) Each licensee shall submit to the Board two copies of its annual financial statements and any reports not later than 120 days or such extended period as the Board may determine after the last day of the licensee's financial year.

(3) The Board may request additional information or documents from the licensee regarding the financial statements.

(4) A person, appropriately qualified in accordance with the applicable corporate law in terms of which the entity is registered, i.e. the Companies Act, 2008 (Act No. 71 of 2008), shall evaluate the licensee's compliance with its internal control procedures, which shall be submitted to the Board together with the

financial statements required in terms of subregulation (3).

Returns to be rendered

105. Each licensee shall, in the manner and format determined by the Board, submit such information at such intervals as the Board may determine.

**PART V – TOTALISATORS
CHAPTER 24
GENERAL REQUIREMENTS**

Return to players

106. (1) The aggregate of the return to players who have made winning bets on any event or combination of events shall not be less than 75 percent of the total amount staked on that event or combination of events minus that takings which remain undistributed because a fractional part of 10 cents was not declared by the holder of a totalisator licence as a dividend payable to players on such takings.

(2) Notwithstanding the provisions of subregulation (1), the Board may approve a lesser minimum dividend percentage in respect of commingled betting pools.

Place of bets

107. (1) Any bet placed with a licensed totalisator in the Province by way of telephone, telefax, electronic mail or internet transmission shall be deemed to be a transaction within the Province.

(2) No licensed totalisator may lay a bet at any place other than the premises to which the licence relates.

(3) A licensed totalisator shall keep for a period of 1 year a list of all telephone, telefax, electronic mail and internet transmissions made to or from the licensed premises and the name and address of the sender and receiver of such transmissions.

Credit extension

108. (1) The holder of a totalisator operator licence may extend credit to its players for the sole purpose of enabling participation in a gambling activity authorised by its licence, by the player to whom the credit is extended.

(2) The holder of a totalisator branch or agency licence may not, directly or indirectly, whether in his or her own name or that of a third party, extend credit, in any form whatsoever, to any person, or assist any person in obtaining credit for the purpose of playing on, or operating, a limited payout machine.

(3) For the purposes of this regulation, credit extension includes advancement of cash by the licensee against a person's credit card or cheque.

(4) The procedures for the approval, issue, redemption and collection of credit shall be contained in the totalisator operator licensee's internal control procedures.

(5) The extension and collection or non-collection of credit by a totalisator operator licensee shall not be taken into account in the calculation of that licensee's gross gambling revenue.

(6) Failure by a licensee to deposit for collection a negotiable instrument by the next banking day following receipt shall be deemed an extension of credit.

Surveillance systems

109. The Board may require the holder of a totalisator licence to install a surveillance system, approved by the Board, on the premises to which the licence relates.

CHAPTER 25 ACCOUNTING RECORDS AND RETURNS

Accounting records

110. (1) Each totalisator operator, branch and agency licensee shall, in such manner as the Board may approve or require, keep accurate, complete, legible and permanent records of all transactions.

(2) Each totalisator operator licensee shall keep generally accepted accounting records on a double entry system of accounting, maintaining detailed, supporting subsidiary records, identifying revenue, expenses, assets, liabilities and equity and any other records that the Board specifically requires to be maintained.

Audited financial statements

111. (1) Each totalisator operator licensee shall, after the end of each financial year of the licensee, prepare annual financial statements in accordance with the applicable auditing standards.

(2) Each totalisator operator licensee shall engage an independent registered auditor, approved by the Independent Regulatory Board of Auditors (IRBA), who shall audit the licensee's annual financial statements in accordance with the applicable auditing standards.

(3) Each totalisator operator licensee shall submit to the Board two copies of its audited annual financial statements, and any reports communicating the results of the audit, including management letters, not later than 120 days or such extended period as the Board may determine after the last day of the licensee's financial year.

(4) The Board may request additional information or documents from either the totalisator operator licensee or the auditor of the licensee, through the licensee, regarding the financial statements or the services performed by the auditor.

(5) The independent auditor referred to in subregulation (2) shall evaluate and report on the totalisator operator licensee's compliance with its internal control procedures, which report shall be submitted to the Board with the audited financial statements required in terms of subregulation (3).

Returns to be rendered

112. Each totalisator operator, branch and agency licensee shall, in the manner and format determined by the Board, submit such information at such intervals as the Board may determine.

CHAPTER 26 INTERNAL CONTROLS

Minimum internal controls

113. (1) Each licensee shall establish and maintain a manual containing the standards, procedures and controls implemented to ensure the integrity of its operations, which shall include administrative and accounting procedures for the purpose of determining the licensee's liability for levies and fees under the Act and for the purpose of exercising effective control over the licensee's internal financial affairs and which shall, at a minimum, contain those elements and procedures required by these regulations and the Rules.

- (2) The procedures must be designed to reasonably ensure that –
- (a) assets are safeguarded;
 - (b) financial records are accurate and reliable;
 - (c) transactions are performed only in accordance with management's general or specific authorisation;
 - (d) transactions are recorded adequately to permit proper reporting of gambling revenue and of fees and taxes;
 - (e) functions, duties and responsibilities are appropriately segregated and performed in accordance with sound practices by competent, qualified personnel; and
 - (f) IT controls are effective.
- (3) The manual required in terms of subregulation (1) is referred to in these regulations as internal control procedures.

Internal control procedures to be submitted to the Board

114. (1) Each licensee and each applicant for a licence shall submit its internal control procedures to the Board prior to implementation thereof.

- (2) The internal control procedures submitted must include –
- (a) an organisational chart depicting segregation of functions and responsibilities;
 - (b) a description of the duties and responsibilities of each position shown on the organisational chart;
 - (c) a detailed, narrative description of the administrative and accounting procedures designed to satisfy the requirements of regulation 125;
 - (d) a letter from an independent chartered accountant stating that the internal control procedures have been reviewed by the accountant and complies with the requirements of this chapter; and
 - (e) such further information as the Board may require.
- (3) If the Board determines that an applicant's or licensee's internal control procedures do not comply with the requirements of these regulations or the Rules, it shall so notify the applicant or licensee in writing.

Amendment of internal control procedures

115. (1) A licensee wishing to amend its internal control procedures shall, prior to implementing such amendment, submit to the Board the amended internal control procedures.

(2) The provisions of regulation 114 shall *mutatis mutandis* apply to the amendment, contemplated in subregulation (1): Provided that regulation 114(2)(d) shall only apply if the amendment is of a material nature which may affect compliance with the requirements of this Chapter.

**PART VI – BOOKMAKERS
CHAPTER 27
GENERAL REQUIREMENTS**

Place of bets

116. (1) Any bet placed with a licensed bookmaker in the Province by way of telephone, telefax, electronic mail or internet transmission shall be deemed to be a transaction within the Province.

(2) No licensed bookmaker may lay a bet at any place other than the premises to which the licence relates.

(3) A licensed bookmaker shall keep for a period of 1 year a list of all telephone, telefax, electronic mail and internet transmissions made to or from the licensed premises and the name and address of the sender and receiver of such transmissions.

Credit extension

117. (1) A licensee may extend credit to its players for the sole purpose of enabling participation in a gambling activity authorised by its licence, by the player to whom the credit is extended.

(2) The procedures for the approval, issue, redemption and collection of credit shall be contained in the licensee's internal control procedures.

(3) The extension and collection or non-collection of credit by a licensee shall not be taken into account in the calculation of that licensee's gross gambling revenue.

(4) Failure by a licensee to deposit for collection a negotiable instrument by the next banking day following receipt shall be deemed an extension of credit.

Surveillance systems

118. The Board may require the holder of a bookmaker licence to install a surveillance system, approved by the Board, on the premises to which the licence relates.

CHAPTER 28 ACCOUNTING RECORDS AND RETURNS

Books and records to be kept

119. (1) Each licensee shall, in such manner as the Board may approve or require, keep accurate, complete, legible and permanent records of all transactions.

(2) Each licensee shall keep generally accepted accounting records on a double entry system of accounting, maintaining detailed, supporting subsidiary records, identifying revenue, expenses, assets, liabilities and equity and any other records that the Board specifically requires to be maintained.

Audited financial statements

120. (1) Each licensee shall, after the end of each financial year of the licensee, prepare annual financial statements in accordance with the applicable corporate law in terms of which the entity is registered, i.e. the Companies Act, 2008 (Act No. 71 of 2008).

(2) Each licensee shall submit to the Board two copies of its annual financial statements and any reports, not later than 120 days or such extended period as the Board may determine after the last day of the licensee's financial year.

(3) The Board may request additional information or documents from the licensee, regarding the financial statements.

(4) A person, appropriately qualified in accordance with the applicable corporate law in terms of which the entity is registered, i.e. the Companies Act, 2008 (Act No. 71 of 2008), shall evaluate the licensee's compliance with its internal control procedures, which shall be submitted to the Board together with the financial statements required in terms of subregulation (2).

Returns to be rendered

121. Each licensee shall, in the manner and format determined by the Board, submit information at such intervals as the Board may determine.

CHAPTER 29 INTERNAL CONTROLS

Internal controls

122. (1) Each licensee shall establish and maintain a manual containing the standards, procedures and controls implemented to ensure the integrity of its operations, which shall include administrative and accounting procedures for the purpose of determining the licensee's liability for levies and fees under the Act and for the purpose of exercising effective control over the licensee's internal financial affairs and which shall, at a minimum, contain those elements and procedures required by these regulations and the Rules.

(2) Each licensee and each applicant for a licence shall submit its internal control procedures to the Board prior to implementation thereof.

(3) If the Board determines that an applicant or licensee's internal control procedures do not comply with the requirements of these regulations or the Rules, it shall so notify the applicant or licensee in writing.

(4) A licensee wishing to amend its internal control procedures shall, prior to implementing such amendment, submit to the Board the amended internal control procedures.

**PART VII – RACE COURSE LICENCES
CHAPTER 30
RACE MEETINGS**

Race meetings

123. The holder of a race course licence who intends holding a race meeting on any day shall not later than one month before such day submit to the Board for its approval a written application for the allocation of such a day as a race day for the area in which the race course is situated: Provided that nothing in this regulation shall prevent the holder of a race course licence from simultaneously applying for the allocation of more than one race day or the allocation of a series of days as race days in respect of any year.

Books and records to be kept

124. (1) Each licensee shall, in such manner as the Board may approve or require, keep accurate, complete, legible and permanent records of all transactions.

(2) Each licensee shall keep generally accepted accounting records on a double entry system of accounting, maintaining detailed, supporting subsidiary records, identifying revenue, expenses, assets, liabilities and equity and any other records that the Board specifically requires to be maintained.

Returns to be rendered

125. Each licensee shall, in the manner and format determined by the Board, submit information at such intervals as the Board may determine.

PART VIII
MANUFACTURERS, MAINTENANCE PROVIDERS AND SUPPLIERS
CHAPTER 31
APPROVAL OF EQUIPMENT, DEVICES AND GAMES

Equipment, devices and games to be approved

126. (1) A licensee shall not provide or in any way sell, lease, supply or distribute to any licensee any gambling device or gambling game, unless such device or game has, on application in the manner and form determined by the Board, been approved by the Board, which approval shall not be granted unless the Board is satisfied as to the suitability of the origin of such gambling device or game.

(2) Only gambling devices and gambling games meeting the relevant norms and standards shall be approved by the Board for distribution.

(3) The Board may require any licensee seeking approval of any gambling device or gambling game to provide specialised equipment or the services of an independent technical expert to facilitate evaluation of such device or game.

Alterations and modifications prohibited

127. Subject to the provisions in the Rules in respect of the conversion and modification of gambling machines, a licensee shall not alter the operation of, or modify any gambling device or gambling game without the prior written approval of the Board.

Summary suspension of approval

128. (1) The Board may issue a summary order, with or without notice to the relevant licensees, suspending approval of a gambling device if it determines that a device does not operate as approved by the Board, or if it reasonably suspects that the relevant manufacturer has misrepresented the manner in which such gambling device operates.

(2) Subsequent to the issue of the order contemplated in subregulation (1), the Board may seal or seize all models of the gambling device in respect of which approval has been suspended.

CHAPTER 32 RECORDS AND RETURNS

Distribution records

129. A licensee shall keep distribution records and shall provide such records to the Board on its request: Provided that the Board may specify the manner and format in which such records is to be maintained.

Maintenance and repair records

130. A licensee shall keep records of all repairs made to gambling devices as may be determined by the Board and shall provide such records to the Board on its request: Provided that the Board may specify the manner and format in which such records is to be maintained.

Stock records

131. A licensee shall keep continuous stock records and shall provide such records to the Board on its request: Provided that the Board may specify the manner and format in which such records is to be maintained.

Accounting records

132. (1) Each licensee shall, in such manner and format determined or approved by the Board, keep accurate, complete, legible and permanent records of all transactions.

(2) Each licensee shall keep generally accepted accounting records on a double entry system of accounting, maintaining detailed, supporting subsidiary records, identifying revenue, expenses, assets, liabilities and equity and any other records that the Board specifically requires to be maintained.

Audited financial statements

133. (1) Each licensee shall, after the end of each financial year of such licensee, prepare annual financial statements in accordance with the applicable accounting standards.

(2) Each licensee shall submit to the Board two copies of its audited annual financial statements, and any reports communicating the results of the audit, including management letters, not later than 120 days or such extended period as the Board may determine after the last day of the licensee's financial year.

(3) The Board may request additional information or documents from either the licensee or the auditor of the licensee, through the licensee, regarding the financial statements or the services performed by the auditor.

Returns to be rendered

134. Each licensee shall, in the manner and format determined by the Board, submit such information at such intervals as the Board may determine.

**PART IX - ADMINISTRATION
CHAPTER 33
OATHS AND AFFIRMATION OF OFFICE**

Form of oath or solemn affirmation

135. The oath or solemn affirmation to be made by Board and staff members of the Mpumalanga Gambling Board shall be as follows:

MPUMALANGA GAMBLING BOARD

OATH FOR BOARD MEMBERS

(IN TERMS OF SECTION 12(1)(c) OF THE MPUMALANGA GAMBLING ACT, 1995 (ACT NO. 5 OF 1995) (hereinafter referred to as the "Act".)

I _____ in my capacity as a Board member of the Mpumalanga

Gambling Board, on this _____ day of _____, _____, hereby undertake:

1. to serve this Board and the Mpumalanga Government to the best of my abilities;
2. to accept and agree to all the eligibility clauses contained in section 5(1) of the Act, in respect of members of this Board;
3. not to disclose any information at my disposal or any documents of the Board relating to the business or affairs of an applicant for a licence, a licensee, or any person connected therewith, or any person objecting to an application;
4. not to receive anything of value, whether directly or indirectly, from any person that may conflict or interfere with the proper performance of my functions or benefit in any manner from the position that I hold as a member of this Board;
5. not to participate in any gambling in the Province, or at any establishment outside the Province, which is owned or operated by a person who holds any licence in terms of the Act, excluding a manufacturer, supplier or maintenance provider licence: Provided that such a person may participate in such gambling if it is necessary for the performance of his or her functions under the Act;
6. not to solicit or accept employment from a licensee or an applicant for a licence within one year after the termination of my term of office, without the prior approval of the Board;
7. not to participate in the consideration of any application for a licence if I have any direct or indirect financial or controlling interest in such applicant, its premises, establishment or business, or any person who made representations in relation to the application for a licence in the Province;
8. not to participate in the consideration of any application for a licence in terms of the Act, if I, my spouse, child, partner or associate is a director, member or partner of, or is otherwise associated with, any person objecting to the application; and
9. to declare to the responsible Member, in writing, any direct or indirect financial or controlling interest that might disqualify me in terms of section 5 of the Act, immediately after I have been disqualified, or after the acquisition of such interest, or after I have become aware of such information.

BOARD MEMBER OF THE
MPUMALANGA GAMBLING BOARD

DATE

TO BE SIGNED IN FRONT OF A COMMISSIONER OF OATHS

MPUMALANGA GAMBLING BOARD**OATH FOR STAFF MEMBERS**

(IN TERMS OF SECTION 12(1)(c) OF THE MPUMALANGA
GAMBLING ACT, 1995 (ACT NO. 5 OF 1995) (hereinafter referred to as the "Act".)

I _____ in my capacity as a staff member of the Mpumalanga

Gambling Board, on this _____ day of _____, _____, hereby undertake:

1. to serve this Board and the Mpumalanga Government to the best of my abilities;
2. to accept and agree to all the eligibility clauses contained in section 5(1)(a)(i) and (iii) and section 5(1)(b) of the Act, in respect of members of this Board;
3. not to disclose any information at my disposal or any documents of the Board relating to the business or affairs of an applicant for a licence, a licensee, or any person connected therewith, or any person objecting to an application;
4. not to receive anything of value, whether directly or indirectly, from any person that may conflict or interfere with the proper performance of my functions or benefit in any manner from the position that I hold as a staff member of this organisation;
5. not to participate in any gambling in the Province, or at any establishment outside the Province, which is owned or operated by a person who holds any licence in terms of the Act, excluding a manufacturer, supplier or maintenance provider licence: Provided that such a person may participate in such gambling if it is necessary for the performance of his or her functions under the Act;
6. not to accept employment from a licensee or an applicant for a licence without informing the Chief Executive Officer thereof in writing;
7. not to participate in the consideration of any application for a licence if I have any direct or indirect financial or controlling interest in such applicant, its premises, establishment or business, or any person who made representations in relation to the application for a licence in the Province;
8. not to participate in the consideration of any application for a licence in terms of the Act, if I, my spouse, child, partner or associate is a director, member or partner of, or is otherwise associated with, any person objecting to the application; and
9. to declare to the Chief Executive Officer, in writing, any financial interest that might disqualify me in terms of section 10 of the Act, immediately after I have been disqualified, or after the acquisition of such interest, or after I have become aware of such information.

STAFF MEMBER OF THE
MPUMALANGA GAMBLING BOARD

DATE

TO BE SIGNED IN FRONT OF A COMMISSIONER OF OATHS

CHAPTER 34 SHORT TITLE, COMMENCEMENT AND REPEAL

Short title, commencement and repeal

136. (1) These regulations shall be called the Mpumalanga Gambling Regulations and shall come into operation on the date of promulgation thereof.

(2) Different dates may be so fixed in respect of different regulations.

(3) All regulations previously made in terms of the Act are repealed on the date on which these regulations come into operation.
