

PROVINCE OF WESTERN CAPE



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## CONTENTS

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No.		Page
<b>Provincial Notice</b>		
23	Western Cape Gambling and Racing Board: Proposed Replacement of Western Cape Gambling and Racing Regulations.....	2

**PROVINCIAL NOTICES**

The following Provincial Notices are published for general information.

V. L. PETERSEN (Ms),  
ACTING DIRECTOR-GENERAL

Provincial Building,  
Wale Street,  
Cape Town.

**PROVINSIALE KENNISGEWINGS**

Die volgende Provinsiale Kennisgewings word vir algemene inligting gepubliseer.

V. L. PETERSEN (Me),  
WAARNEMENDE DIREKTEUR-GENERAAL

Provinsiale-gebou,  
Waalstraat,  
Kaapstad.

P.N. 23/2008

25 January 2008

**WESTERN CAPE GAMBLING AND RACING ACT, 1996  
(ACT 4 OF 1996)**

The following draft Regulations, proposed to replace the Regulations published under Provincial Notice 239/1996 dated 7 June 1996 as amended by Provincial Notices 440/1996 (dated 11 October 1996), 458/1996 (dated 30 October 1996), 303/1997 (dated 29 August 1997), 446/1997 (dated 12 December 1997), 50/1998 (dated 23 January 1998), 285/1998 (dated 29 May 1998), 331/1998 (dated 19 June 1998), 334/1998 (dated 26 June 1998), 363/2000 (dated 16 August 2000), 24/2001 (dated 2 February 2001), 11/2002 (dated 18 January 2002), 358/2002 (dated 8 November 2002), 265/2003 (dated 8 August 2003) and 396/2003 (dated 21 November 2003) are hereby published for general information and comment.

**PROPOSED REPLACEMENT OF WESTERN CAPE GAMBLING AND RACING REGULATIONS**

- (a) All interested persons are invited to submit written comment on the draft amendment to the Regulations on or before 16h00 on . Such comments should be forwarded to:
- (i) The Chief Executive Officer  
Western Cape Gambling and Racing Board  
P O Box 8175  
ROGGEBAAI  
8012
- OR
- (ii) Faxed to (021) 4222-603 (for the attention of Ms A M Gibson)
- (b) The name, telephone and/or fax number and address of the person submitting the comment should be clearly indicated.

**NOTE:** The proposed Regulations have been published in English only. However, after the proposed content thereof has been approved, the Regulations will be translated and, once in their final form, will be published in all three official languages of the Western Cape Province.

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**WESTERN CAPE GAMBLING AND RACING ACT, 1996 (ACT 4 OF 1996)**

**WESTERN CAPE GAMBLING AND RACING REGULATIONS**

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**ARRANGEMENT OF REGULATIONS**

**CHAPTER 1**

**1. Definitions**

**CHAPTER 2**

**APPOINTMENT OF BOARD MEMBERS**

**2. Composition of Board**

**3. Nomination of candidates**

**4. Procedure for appointment**

**CHAPTER 3**

**APPEALS**

**5. Appeal in respect of delegated powers or functions**

**CHAPTER 4**

**LICENSING**

**6. General**

**7. Application and information**

**8. Advertising of application**

**9. Transmission of information to interested parties and public inspection**

**10. Objections and comment**

**11. Withdrawal of application**

**12. Disqualified persons**

**13. Disqualified person not to profit**

**CHAPTER 5**

**LICENSED EMPLOYEES**

**14. Key employees**

**15. Temporary employee licence**

**16. Proof of licensing on employment record**

**17. Suspension or revocation of licence**

**CHAPTER 6**

**FINDING OF SUITABILITY**

**18. Finding of suitability**

**19. Financial interest in holder of certificate of suitability**

**20. Termination of association**

**CHAPTER 7****PROCUREMENT OF FINANCIAL INTEREST IN LICENCE HOLDER**

21. Procedures in respect of procurement

**CHAPTER 8****APPROVAL OF GAMBLING-RELATED CONTRACTS**

22. Gambling-related contracts  
23. Submission of gambling-related contracts

**CHAPTER 9****GAMBLING ESTABLISHMENTS**

24. Contracts for submission to Board  
25. Gambling establishments  
26. Guarantee for completion of premises

**CHAPTER 10****RECOVERY OF COSTS**

27. Recovery of investigation costs for grant or renewal of licence  
28. Recovery of costs other than for grant or renewal of licence  
29. Recovery of costs for reproduction of document, form or record

**CHAPTER 11****PATRON DISPUTES**

30. Resolution of patron disputes  
31. Notification of Board in event of dispute  
32. Petition for hearing by Board

**CHAPTER 12****HEARINGS**

33. Person presiding  
34. Evidence at hearing  
35. Record of proceedings  
36. Decisions and final orders

**CHAPTER 13****SERVING OF NOTICES, ORDERS OR RESOLUTIONS**

37. Serving of notices, orders or resolutions

**CHAPTER 14****ADVERTISING**

38. Undesirable advertising

**CHAPTER 15****LICENCE TO BE DISPLAYED**

39. Licence to be prominently displayed

**CHAPTER 16****BOOKS, ACCOUNTS AND RECORDS**

- 40. General
- 41. Gambling and accounting records
- 42. Other records
- 43. Audited financial statements
- 44. Returns and reports to be rendered

**CHAPTER 17****CREDIT EXTENSION**

- 45. Credit extension

**CHAPTER 18****CASH TRANSACTIONS**

- 46. Prohibited transactions by licensed operator
- 47. Transactions to be reported
- 48. Transaction reports

**CHAPTER 19****STAKES, PRIZES AND RETURNS TO PATRONS**

- 49. Maximum stakes
- 50. Maximum prizes
- 51. Prizes to be displayed
- 52. Return to player percentages

**CHAPTER 20****REGISTRATION AND MAINTENANCE OF GAMBLING DEVICES**

- 53. Gambling and related devices to be registered
- 54. Maintenance of registered gambling and related devices
- 55. Records to be kept by licence holder

**CHAPTER 21****CHIPS AND TOKENS**

- 56. Redemption and disposal of discontinued chips or tokens
- 57. Destruction of counterfeit chips or tokens and disposal of coins
- 58. Other value instruments
- 59. Applicability of Chapter to holder of route operator licence

**CHAPTER 22****PROGRESSIVE CASINO GAMES**

- 60. Progressive jackpot displays, meters and limits
- 61. Reductions of progressive jackpots

**CHAPTER 23****MINIMUM CASINO BANKROLL REQUIREMENT**

- 62. Minimum casino bankroll requirement

**CHAPTER 24****MANUFACTURERS AND DISTRIBUTORS**

- 63. Approval of devices and games
- 64. Alterations and modifications prohibited
- 65. Summary suspension of approval

**CHAPTER 25****OFFENCES AND PENALTIES**

- 66. Offences and penalties

**CHAPTER 26****PAYMENT OF TAXES**

- 67. Payment of tax by the holders of casino operator, limited gambling machine operator and bingo licences
- 68. Payment of tax by the holder of a totalisator operator licence
- 69. Payment of tax by the holder of a bookmaker licence
- 70. Payment of betting levy by holder of bookmaker licence
- 71. Payment of betting levy to holder of totalisator operator licence
- 72. Duties of holder of totalisator operator licence regarding betting levy
- 73. Duty of Chief Executive Officer regarding betting levy

## CHAPTER 1

### 1. Definitions

In these Regulations, any word or expression to which a meaning has been assigned in the Western Cape Gambling and Racing Act, 1996 (Act 4 of 1996, as amended), shall have the meaning so assigned and, unless the context otherwise indicates—

‘**Act**’ means the Western Cape Gambling and Racing Act, Act 4 of 1996, as amended;

‘**cash**’ means any coins or notes or currency customarily used and accepted as money;

‘**chip**’ means a plastic, perspex or similar object redeemable for a specified cash amount and issued or sold by a licence holder to patrons for use when gambling;

‘**designated department**’ means the department of the province of Western Cape designated by the responsible member to be responsible for the Board as contemplated by National Treasury Regulation 24.1 (published in *Government Gazette* No. 23463 dated 25 May 2002);

‘**designated accounting officer**’ means the accounting officer of the designated department;

‘**employee**’ means a key employee or a gambling employee referred to in sections 56 and 57 of the Act;

‘**gambling-related contract**’ means a contract referred to in section 59 of the Act;

‘**jackpot pay-out**’, in respect of slot machines, means a payment by a licence holder to a patron for a winning result on a slot machine—

- (a) which does not increase the reading on the credit meter of the slot machine, and
- (b) which is not discharged out of the hopper;

‘**progressive jackpot**’ means the amount advertised and payable for a winning combination of numbers, playing cards, symbols, pictures, figures or any similar representations capable of being generated by a progressive slot machine;

‘**proposition player**’ means a person who is provided or employed by a licence holder for the specific purpose of playing in a gambling game and who uses personal funds and retains the winnings and absorbs the losses;

‘**skill**’ means a person who is provided or employed by a licensed operator to play in a gambling game and who only uses money provided by the licensed operator, and

‘**token**’ means a token redeemable for a specified cash amount and issued or sold by a licence holder to patrons for use in gambling.

## CHAPTER 2

### APPOINTMENT OF BOARD MEMBERS

### 2. Composition of Board

The Board shall consist of:

- (a) at least one member who is qualified to be admitted as an advocate in the Republic and has, for a cumulative period of at least five years after having so qualified—
  - (i) practised as an advocate or an attorney;
  - (ii) lectured in law at a university in the Republic, or
  - (iii) been involved in the application or administration of law;
- (b) at least one member who—
  - (i) is duly registered as an accountant and auditor and has, for a cumulative period of at least five years, engaged in public practice, or
  - (ii) for a cumulative period of at least five years, has lectured in accounting or accountancy at any university in the Republic;
- (c) at least one member who, in the opinion of the Executive Council, has proven business acumen;
- (d) at least one member with knowledge and experience in the field of community welfare or in the prevention or treatment of addiction, and
- (e) three other members who, in the opinion of the Executive Council, have knowledge or experience in other fields for which the Board, in order to function effectively, would require expertise,

provided that no decision of the Board shall be rendered invalid or susceptible to legal review by reason of the fact that the composition of the Board, at the time that the relevant decision was reached, was not in every respect consistent with the requirements of this Regulation.

### 3. Nomination of candidates

- (1) The designated accounting officer shall by notice published in each of the official languages of the Province in the Provincial Gazette and in such other printed media as he or she may consider appropriate, invite nominations for candidates for appointment as members of the Board.
- (2) A nomination containing the name, address, telephone number and curriculum vitae of a nominee shall be submitted in writing to the designated accounting officer within fourteen days of the date of publication of the notice referred to in sub-regulation (1).

- (3) The designated accounting officer shall only upon receipt of a valid nomination referred to in sub-regulation (2) place at the disposal of each nominee for completion an application form which shall be substantially in the form prescribed in Schedule I, and which shall be completed and returned to the designated accounting officer within twenty-one days of the date of receipt thereof.
- (4) An application referred to in sub-regulation (3) shall be accompanied by—
  - (a) a declaration signed by the applicant stating his or her willingness to disclose full details of all his or her personal and financial affairs, and
  - (b) a statement signed by the applicant confirming that he or she in all respects complies with the provisions of section 4 of the Act.
- (5) Failure to complete the application form referred to in sub-regulation (3) properly and in full, or to submit the declaration and statement, referred to in sub-regulation (4), shall render an application invalid.
- (6) After expiry of the period prescribed in sub-regulation (3) for the return of applications, the designated accounting officer shall in each of the official languages of the Province publish in the Provincial Gazette and such other printed media as he or she may consider appropriate, a notice—
  - (a) specifying the name and address of each nominee who has submitted a valid application, and
  - (b) stating that comment relating to the suitability for appointment of such nominees may be lodged with the designated accounting officer for a period of fourteen days from the date of publication of such notice.
- (7) A nomination referred to in sub-regulation (2), an application referred to in sub-regulation (3) and any comment contemplated in sub-regulation (6) shall, in order to be valid, be received in the office of the designated accounting officer by not later than 16:00 on the last day specified for such purpose.

#### **4. Procedure for appointment**

- (1) The designated accounting officer shall evaluate each application referred to in regulation 3(3) and compile a short list of not less than fifteen names or, in respect of any vacancy occurring on the Board, of not less than three names, of the most suitable candidates for appointment; provided that the designated accounting officer may request such additional information or documentation regarding an applicant's personal and financial affairs as he may deem necessary to evaluate an application.
- (2) The short list referred to in sub-regulation (1), as well as a comprehensive list of all applicants together with all available information and documentation regarding their personal and financial affairs and any public comment received in terms of regulation 3(6), shall be submitted for consideration to the Standing Committee for the Provincial Legislature responsible for the Act.
- (3) The relevant Standing Committee shall, within seven days of receiving the documentation referred to in sub-regulation (2), submit a final short list of not less than fifteen names or, in respect of any vacancy occurring on the Board, of not less than three names, together with the comprehensive list of all applicants to the responsible Member for submission for consideration to the Executive Council.
- (4) The designated accounting officer shall, upon receipt of a resolution of the Executive Council concerning the successful candidates, inform all the applicants of the outcome.

### **CHAPTER 3**

#### **APPEALS**

#### **5. Appeal in respect of delegated powers or functions**

- (1) A person who has a direct interest in a decision of any person or committee acting in terms of a power or function of the Board delegated in terms of section 13 of the Act, other than the resolution of a patron dispute contemplated in Regulations 31 and 32, may within thirty days of such decision, lodge an appeal with the Board.
- (2) An appeal in terms of sub-regulation (1) shall be in writing and shall state—
  - (a) the decision against which the appeal is lodged;
  - (b) the ground or grounds on which the appeal is founded;
  - (c) the name, address and telephone number of the person lodging the appeal, and
  - (d) the nature of the interest of the person lodging the appeal.
- (3) The Board shall, on receipt of an appeal, conduct an enquiry or cause an enquiry to be conducted as it deems necessary or expedient.
- (4) The provisions of Chapter III of the Act shall, with the necessary changes, apply to an enquiry referred to in sub-regulation (3).
- (5) After considering the appeal and, if applicable, the finding of an enquiry in connection with the appeal, the Board may—
  - (a) endorse the decision;
  - (b) revoke the decision, or
  - (c) make any decision it deems appropriate in the circumstances,

after which the Board shall inform both parties involved of its decision in writing.



**CHAPTER 4****LICENSING****6. General**

- (1) Any licence, permit, finding of suitability, registration, authorisation or approval granted by the Board shall be revocable, and shall be dependent on the ongoing suitability of the person to whom such licence, permit, finding of suitability, registration, authorisation or approval relates, and compliance by that person with the provisions of the Act.
- (2) The Board may at any time call for such information it may deem necessary to satisfy itself of the ongoing suitability and compliance of any person contemplated in sub-regulation (1).
- (3) Any person who or which applies for a licence, a permit, or a finding of suitability or for registration, authorisation or approval, shall bear the burden of proving full compliance with the qualification criteria in respect of that licence, permit, finding of suitability registration, authorisation or approval.

**7. Application and information**

- (1) An application for a licence, a permit or a finding of suitability, registration, or for authorisation or approval in terms of the Act shall be submitted in the form determined by the Board and shall include and be accompanied by the documents and information specified or required by the Board.
- (2) If a person—
  - (a) makes a false or misleading statement;
  - (b) furnishes false or misleading information, or
  - (c) fails to furnish full and accurate information

in or in respect of an application submitted to the Board, such act or omission shall be sufficient reason for refusing the application.

- (3) The Board—
  - (a) may decline to take receipt of an application;
  - (b) may, but shall not be obliged to, remit an application to the applicant at any time and request or require—
    - (i) further information in respect of that application, or
    - (ii) such amendment or supplementation of that application as it may deem necessary, within such period as it may determine;
  - (c) may postpone the consideration of an application, or
  - (d) may refuse an application

if any information required to be included in or to accompany such application is not full and accurate.

- (4) The date of original receipt of an application by the Board shall be deemed to be the date of submission of the application; provided that, if an application for renewal of a licence is remitted to an applicant pursuant to sub-regulation (3)(b)—
  - (a) such applicant will be liable for the payment of any penalties ordinarily applicable in respect of the late submission of renewal applications, to the extent that the duly completed or amended application is submitted later than the deadline contemplated in section 40(3) of the Act, and
  - (b) the licence in respect of which renewal is sought will lapse and will not be renewed by the Board if the duly completed or amended application—
    - (i) is submitted to the Board less than one month before the date of expiry of the licence in respect of which renewal is sought and cannot, in the ordinary course, be placed before the Board for consideration before such date of expiry, or
    - (ii) is submitted to the Board after the date of expiry of the licence in respect of which renewal is sought.
- (5) Failure to supply any information requested by the Board in terms of this regulation within the period determined by the Board shall constitute sufficient grounds for refusing the application in question.

**8. Advertising of application**

Upon receipt of a valid application for the grant of a licence specified in section 32(2) of the Act, the Chief Executive Officer shall publish for objections or comment in the *Provincial Gazette* and any other printed media he or she considers appropriate, the following information:

- (a) the name of the applicant;
- (b) if the applicant is a company or other corporate body, the names of all persons who have a financial or other interest of five per cent or more in the applicant;
- (c) the type of licence applied for;
- (d) the address and the premises from which the applicant intends to operate;

- (e) the address where objections to or comment on the application may be submitted;
- (f) the closing date for the submission of such objections or comment to the Board, which date shall not be less than twenty-one days from the date of publication, and
- (g) the address at which such application may be inspected and to which comments or objections should be directed.

#### **9. Transmission of information to interested parties and public inspection**

- (1) Upon receipt of a valid application for a licence other than a licence referred to in section 27(e), (l) and (m), the Chief Executive Officer shall transmit to the relevant local authority notice of the application and any information pertaining to the application which in his or her opinion will enable the local authority to consider and comment upon the application.
- (2) In the case of a development application, the information referred to in sub-regulation (1) shall also be transmitted to—
  - (a) the provincial department responsible for housing, local government and planning;
  - (b) the provincial department responsible for transport, and
  - (c) the provincial department responsible for environmental affairs.
- (3) The Chief Executive Officer shall not transmit any information in terms of sub-regulations (1) and (2) which in his or her opinion is confidential or irrelevant for purposes of comment.
- (4) All applications for casino operator and route operator licences shall, subject to sub-regulation (3), be open for inspection by interested persons at the Board's offices during normal office hours for a period of twenty-one days from the date of publication of the notice contemplated in section 32 of the Act.

#### **10. Objections and comment**

- (1) Any person wishing to object to or comment on an application submitted to the Board shall do so in writing within twenty-one days of publication of the notice referred to in regulation 8 or such further period as may be determined by the Board, and shall specify in writing—
  - (a) the application to which the objection relates;
  - (b) in the case of an objection, the grounds on which the objection is founded;
  - (c) in the case of comment, full particulars and facts to substantiate the comment, and
  - (d) the name, address and telephone number of the person submitting the objection or offering the comment.
- (2) On receipt of an objection to or adverse comment on an application, the Board shall submit the objection or adverse comment to the applicant, who may reply to it in writing within twenty-one days after having received it or within such further period as may be determined by the Board.

#### **11. Withdrawal of application**

- (1) An applicant may at any time prior to the final consideration of an application submit to the Board a written request for the withdrawal of the application.
- (2) The applicant shall in such a request set out fully—
  - (a) the reasons for the request, and
  - (b) the reasons why the applicant should not be deemed to be disqualified in terms of section 32(5) of the Act.
- (3) The Board may grant a request in terms of sub-regulation (1)—
  - (a) unconditionally, or
  - (b) if, in the opinion of the Board, the reasons for the request are not satisfactory or in good faith, subject to the provisions of section 32(5) of the Act.

#### **12. Disqualified persons**

- (1) An applicant for a licence, certificate of suitability, registration or other approval, as the case may be, who is subject to a disqualification in terms of the Act may, in the sole discretion of the Board, prior to its decision on the application, be granted such reasonable period, as may be determined by the Board, to rectify the disqualification.
- (2) Any person who becomes disqualified to hold a licence, certificate of suitability, registration or other approval after such has been issued, must, within ten working days of having become aware of the disqualification, deliver a written notice of that disqualification to the holder of the affected operator licence and to the Board.
- (3) If a person contemplated in sub-regulation (2)—
  - (i) holds an interest in the relevant operator licence, that person must dispose of that interest within such period as may be determined by the Board after considering the circumstances, and the nature of the disqualification, or
  - (ii) is a manager of the business concerned, the Board may impose such reasonable conditions on the continuation of the relevant operator licence as in its view will ensure ongoing compliance with the principles of the Act and the National Act.

### 13. Disqualified person not to profit

A person who is the direct or effective cause of any disqualifying circumstances in respect of an applicant or licence holder and disposes of an interest in such applicant or licence holder, shall not accept a greater amount for his or her interest in the applicant or licence holder than such person paid for it or such greater amount approved by the Board, which amount shall not exceed the market value of that interest.

## CHAPTER 5

### LICENSED EMPLOYEES

### 14. Key employees

In addition to employees who are deemed to be key employees in terms of section 56 of the Act, persons in the following or substantially similar positions shall be regarded as key employees for the purposes of the Act:

- (a) any person who individually or as a member of a group formulates management policy in respect of any aspect of the gambling operations of such business;
- (b) any person who has authority to grant credit or complimentary services or tokens;
- (c) any person, other than a person employed on a licensed site, who has authority to be involved in the resolution or handling of patron disputes;
- (d) any person, other than a person employed on a licensed site, who has authority to appoint or terminate the appointment of supervisory staff licensed in terms of the Act;
- (e) any person who has authority to supervise or direct a gambling or security activity shift, including, without being limited to, the supervision or direction of the entire pit operation and all gambling machines or other gambling operations, and any person who has authority to supervise or direct the first-mentioned person;
- (f) any person who has authority to manage, or to be responsible for the management of, one or more of the gambling-related departments or functions of a gambling operation, including, without being limited to—
  - (i) accounting;
  - (ii) credit and collections;
  - (iii) the cage department;
  - (iv) licensed staff;
  - (v) internal audit;
  - (vi) security, and
  - (vii) surveillance;
- (g) any person who has the authority in any manner to alter the functionality of, or any data captured by, any gambling-related computer software;
- (h) any person acting as a shill or a proposition player, and
- (i) any person who has been specifically represented to the Board by a licence holder or an officer or a director of the licence holder as being important or necessary for the operation of any aspect of the gambling business of the licence holder.

### 15. Temporary employee licence

- (1) If an application for a key employee or a gambling employee licence has been made or the Board has identified an employee of a licence holder as a key employee or a gambling employee and has requested that person to apply for a licence, and the Board is satisfied that—
  - (a) the operation of the business of the licence holder will be seriously prejudiced by a delay in employing the applicant or by the interruption of his or her employment, and
  - (b) the commencement of the employment or the continued employment of the applicant will not prejudice the integrity and proper operation of the business of the licence holder,
 the Board may issue the applicant with a temporary licence, pending the outcome of the application.
- (2) An award of a temporary licence in terms of sub-regulation (1) shall not found any expectation that a licence will be granted in terms of section 56 or 57 of the Act.
- (3) If an application for a licence contemplated in section 56 or 57 of the Act by the holder of a temporary employee licence is refused by the Board, the licence holder who employs that person shall, upon notification of the Board's decision, immediately cease to employ that person in any capacity in which he or she is required to be so licensed.
- (4) The provisions of sub-regulation (3) shall be a condition of employment.

### 16. Proof of licensing on employment record

A licence holder shall at all times keep a copy of the licence of every employee licensed in terms of sections 56 and 57 of the Act on that employee's employment record.

**17. Suspension or revocation of licence**

- (1) If the licence of an employee who is licensed in terms of section 56 or 57 of the Act—
  - (a) is revoked by the Board, the licence holder which employs that person shall immediately cease to employ that person in any capacity in which he or she is required to be so licensed, or
  - (b) is suspended by the Board, the licence holder which employs that person shall immediately cease to employ that person in any capacity in which he or she is required to be so licensed for the period of the suspension
 without liability on the part of the licence holder or the Board.
- (2) The provisions of sub-regulation (1) shall be a condition of employment.

**CHAPTER 6****FINDING OF SUITABILITY****18. Finding of Suitability**

- (1) The Board may require any person or entity—
  - (a) referred to in sections 23(1)(b)(ii), 34(2)(a)(ii) or (iii) or 58 of the Act;
  - (b) any party to a contract with a licence holder contemplated in section 59 of the Act and Regulation 23, or
  - (c) who or which receives income directly or indirectly from a licence holder for the sole or primary purpose of applying such income to facilitate compliance with the objectives of any bid undertakings or commitments made by or licence conditions imposed upon such licence holder,
 to prove to the satisfaction of the Board that such person is suitable to procure an interest in the business of, to enter into a contract with, or to receive and apply such income from, a licence holder or an applicant for a licence.
- (2) The Board shall notify a person required to be found suitable in terms of sub-regulation (1) of the requirements of this Chapter in writing, and that person shall within twenty-one days of receipt of such notice, or within any further period determined by the Board, submit to the Board an application for a finding of suitability.
- (3) The Board shall, after concluding its investigation in terms of the Act and this regulation, find the person in question—
  - (a) suitable, or
  - (b) unsuitable,
 and shall by written notice inform such person and the licence holder or applicant who is directly or indirectly associated with such person of its decision.
- (4) Where a person is found unsuitable in terms of sub-regulation (3)(b), the Board must require the licence holder or applicant to terminate its association with that person within a period determined by the Board.
- (5) Where a person is found suitable in terms of sub-regulation (3)(a), the Board shall issue a certificate of suitability to such person.
- (6) The Board shall inform the licence holder in question of any finding in terms of sub-regulation (3).
- (7) With effect from the date on which the Board serves notice upon the licence holder or applicant of a finding of unsuitability in terms of sub-regulation (3)(b), the person found to be unsuitable shall not—
  - (a) directly or indirectly exercise any voting right conferred by the holding of a financial interest in the relevant licence holder;
  - (b) continue to participate in any contract executed or purported to have been executed with the relevant licence holder, or
  - (c) be entitled to receive any income from the relevant licence holder for disbursement in the manner contemplated in sub-regulation (1)(c).
- (8) The provisions of section 40 of the Act shall, with the necessary changes, apply to the duration and renewal of a certificate of suitability, provided that the Board may, irrespective of whether a penalty is imposed on the holder of the relevant operator licence, hold the holder of a certificate of suitability liable for non-compliance by that holder with the provisions of section 40(3) of the Act, and may—
  - (a) impose any penalty contemplated in the Act or these Regulations on such holder, or
  - (b) suspend or revoke the certificate of suitability, where the Board is of the view that the holder no longer qualifies to hold a certificate of suitability, whereupon the provisions of sub-regulation (7) shall apply.
- (9) The provisions of sections 28, 29 and 30 of the Act shall, with the necessary changes, apply to the evaluation of the suitability of any person or entity contemplated in this regulation.

**19. Financial interest in holder of certificate of suitability**

- (1) The holder of a certificate of suitability (“the holder”) shall, within seven days of the execution of any contract disposing of any interest referred to in this regulation, or within seven days of becoming aware of any transaction or acquisition referred to in this regulation, notify the Board in writing—

- (a) of any transaction in terms of which a financial interest of twenty percent or more in such holder is acquired;
  - (b) of any transaction in such holder which has the effect that the person acquiring such interest in the holder by reason of that acquisition holds, whether directly or indirectly, a total financial interest of twenty percent or more in the holder, or
  - (c) of any acquisition in such holder which has the effect that the person acquiring such interest in the holder by reason of that acquisition holds, whether directly or indirectly, a total financial interest of five percent or more in the holder of an operator licence issued in terms of the Act.
- (2) Where a disclosure to the Board has been made—
- (a) pursuant to sub-regulation (1)(a) or (b), the Board may, having regard to the circumstances of the acquisition and the extent of the interest acquired, require the acquirer of the relevant interest to be found suitable to hold such interest, and
  - (b) pursuant to sub-regulation (1)(c), the person acquiring the relevant interest must apply for the applicable licence within twenty-one days of the acquisition of such interest.

## 20. Termination of association

- (1) If the Board—
- (a) determines that a person referred to in regulation 18 is unsuitable to be associated with a licence holder or an applicant, or
  - (b) suspends or revokes a person's certificate of suitability,
- the licence holder or applicant concerned shall, within a time determined by the Board, terminate any agreement or association between the licence holder or applicant and that person.
- (2) Failure to include the provisions of sub-regulation (1) in an agreement shall not be a defence in any action brought in terms of this regulation to terminate the agreement.
- (3) A licence holder who contravenes or fails to comply with the provisions of sub-regulation (1) shall be guilty of an offence.

## CHAPTER 7

### PROCUREMENT OF FINANCIAL INTEREST IN LICENCE HOLDER

## 21. Procedures in respect of procurement

- (1) A licence holder who is party to the disposal of or becomes aware of the procurement by any person of an interest contemplated in section 58(1) of the Act in the business to which its licence relates shall—
- (a) within seven days of concluding such disposal or becoming aware of such procurement, notify the Board in writing of—
    - (i) the name and address of the person who procured such an interest;
    - (ii) the date of such procurement;
    - (iii) the extent of the interest procured, and
    - (iv) if such information is available to it, the consideration paid in respect of such procurement;
  - (b) furnish the Board, within such period as it may specify, with such further information in respect of the transaction as may be requested or required by the Board, and
  - (c) where required to do so by the Board, ensure, prior to the disposal or acquisition of any interest in the business to which the licence relates, that any person intending to acquire such an interest confirms in writing having been notified of the provisions of sub-regulation (4).
- (2) Any person contemplated in section 58(1) of the Act who, directly or indirectly, procures—
- (a) a financial interest of 5% or more in the holder of an operator licence;
  - (b) a financial interest in the holder of an operator licence which, together with any such interest already held by that person in the same licence holder, would result in that person holding a financial interest of 5% or more in such licence holder, or
  - (c) a financial interest in any other entity with a shareholding in the holder of any operator licence which, on its own or together with any other interest already held directly or indirectly by that person in the same licence holder, would result in that person holding a financial interest of 5% or more in such licence holder,
- must within a period of no more than seven calendar days of such acquisition, inform the Board of such acquisition in the manner contemplated in sub-regulation (3).
- (3) The notice of procurement contemplated in sub-regulation (2) shall set forth—
- (a) the name, address and identity or registration number of the person procuring the interest;
  - (b) the date of procurement of the interest;
  - (c) the entity in which the interest was procured;

- (d) the extent of the interest procured;
  - (e) the consideration paid or payable in respect of the procurement, and
  - (f) the extent of the total financial interest in the relevant licence holder held by the person procuring that interest subsequent to the procurement.
- (4) Any person contemplated in sub-regulation (2)—
- (a) must, within twenty-one calendar days of the acquisition of any interest referred to therein, apply to the Board for the appropriate licence;
  - (b) may not participate in any gambling-related activity on any licensed premises or perform any function for which the authority of a licence is required in terms of the Act unless and until such person has been appropriately licensed by the Board, and
  - (c) must, within such period as may be specified by the Board, dispose of the interest acquired if the Board declines to issue a licence to such person.
- (5) A notice of procurement, complying with the provisions of sub-regulation (3) must, within the period contemplated in sub-regulation (2), be submitted to the Board by—
- (a) a publicly traded investor contemplated in section 58(2) of the Act which acquires—
    - (i) a financial interest of 10% or more in the holder of an operator licence;
    - (ii) a financial interest in the holder of an operator licence which, together with any such interest already held by that investor in the same licence holder, would result in that investor holding a financial interest of 10% or more in such licence holder, or
    - (iii) a financial interest in any other entity with a shareholding in the holder of any operator licence which, on its own or together with any other interest already held directly or indirectly by that investor in the same licence holder, would result in that investor holding a financial interest of 10% or more in such licence holder, and
  - (b) an institutional investor contemplated in section 58(3) of the Act, which acquires—
    - (i) a financial interest of 15% or more in the holder of an operator licence;
    - (ii) a financial interest in the holder of an operator licence which, together with any such interest already held by that investor in the same licence holder, would result in that investor holding a financial interest of 15% or more in such licence holder, or
    - (iii) a financial interest in any other entity with a shareholding in the holder of any operator licence which, on its own or together with any other interest already held directly or indirectly by that investor in the same licence holder, would result in that investor holding a financial interest of 15% or more in such licence holder.
- (6) An investor contemplated in sub-regulation (5) shall—
- (a) within twenty-one calendar days of the acquisition of any interest referred to therein, apply to the Board for approval to hold such interest, and
  - (b) within such period as may be specified by the Board, dispose of the interest acquired if the Board declines to approve such acquisition.
- (7) Where a licence holder is party to any contract regulating the acquisition of an interest contemplated in this regulation, it shall ensure that the provisions of sub-regulation (4) are incorporated into such contract as material terms thereof.
- (8) The Board may require any licence holder or category of licence holder to monitor and report upon, at such intervals as it may specify, the ownership profile—
- (a) of that licence holder, or
  - (b) of any entity, holder of a certificate of suitability or other licence holder—
    - (i) with which it has a contractual relationship, and
    - (ii) to the records of which it has reasonable access, or
    - (iii) which is in any way answerable to it in respect of the conduct of gambling operations.
- (9) A licence holder required to perform any function contemplated in sub-regulation (8) shall—
- (a) submit the reports required by the Board in the manner specified by it and at such intervals as it may require, and
  - (b) take all reasonable steps to ensure that any information submitted to the Board in terms of this regulation is current and accurate.

**CHAPTER 8****APPROVAL OF GAMBLING-RELATED CONTRACTS****22. Gambling-related contracts**

All gambling-related contracts to which a licence holder or an applicant for a licence is a party or intends to become a party shall be in writing.

**23. Submission of gambling-related contracts**

- (1) Every licence holder shall, within five working days of being required by the Board to submit a gambling-related contract or proposed gambling-related contract to it, submit such contract or proposed contract at the offices of the Board.
- (2) The Board may, when evaluating a contract or proposed contract entered into or proposed to be entered into between the licence holder and the contractor, consider the suitability of the contractor.
- (3) The Board may at any time review a contract approved by it in terms of sub-regulation (1).
- (4) If a contractor is found to be or becomes unsuitable, the Board shall direct the licence holder or applicant to terminate its contract with such contractor.
- (5) A licence holder or an applicant required by the Board to terminate a gambling-related contract pursuant to this regulation shall do so within a time determined by the Board.
- (6) Every gambling-related contract shall provide for its termination in the circumstances provided for in sub-regulations (4) and (5).

**24. Contracts for submission to Board**

Unless otherwise specified by the Board, a licence holder shall submit to the Board for review pursuant to this Chapter, and approval of the relevant contractor in terms of Regulation 18(1), all contracts relating to—

- (a) the provision or supply of value or numbered stationery;
- (b) the provision of internal security services within the gambling environment;
- (c) the supply of all monitored keys required to be under constant surveillance coverage when not in use;
- (d) the supply of seals for use in gambling machines;
- (e) the supply of cards and dice for use in gambling;
- (f) the installation and maintenance of security and surveillance equipment, and
- (g) such other goods or services as may be stipulated by the Board from time to time.

**CHAPTER 9****GAMBLING ESTABLISHMENTS****25. Gambling Establishments**

- (1) No gambling establishment shall be located—
  - (a) in or on premises which, in the opinion of the Board, do not allow for proper security, supervision, surveillance, access control or policing, or
  - (b) in or on premises in which any person found by the Board to be disqualified for licensing or unsuitable in terms of these regulations has a financial interest of five per cent or more.
- (2) The holder of a licence issued in terms of paragraph (a), (b), (d), (i), or (k) of section 27 of the Act must ensure that a notice informing the public of the phenomenon of compulsive or problem gambling or betting is prominently displayed at the following places on the licensed premises concerned:
  - (i) at every entrance within the premises which permits access to any specifically demarcated area where any gambling activity takes place, and
  - (ii) in the case of the licensed premises of a holder of a totalisator operator licence who permits the holder or holders of a bookmaker licence or licences to accept bets at specifically allocated positions on the licensed premises covered by the totalisator operator licence, at such places as the Board, in writing, after an inspection of the specifically allocated positions, informs the holder or holders of the bookmaker licence or licences concerned.
- (3) The notice required by sub-regulation (2)—
  - (i) shall contain contact details regarding the provision of assistance to persons who suffer, or who may suffer, from compulsive or problem gambling, and
  - (ii) shall be of such size and in such format as is required by the Rules of the Board.
- (4) The holder of a licence referred to in sub-regulation (2) shall ensure that there is on the licensed premises concerned, an adequate supply of pamphlets for public reference and use, concerning the phenomenon of compulsive or problem gambling.

- (5) The location of the pamphlets referred to in sub-regulation (4), and the details regarding the phenomenon of compulsive or problem gambling to be contained in those pamphlets, shall be determined by the Rules of the Board.

#### 26. Guarantee for completion of premises

- (1) If an application for a licence is granted by the Board in respect of premises not yet erected or completed, the applicant shall furnish the Board with such guarantee of completion of the premises as may be required by the Board.
- (2) If the premises contemplated in sub-regulation (1) or any stage of development thereof have not been substantially completed in accordance with the schedule and plan approved by the Board or within the period determined as a condition of the licence, the licence may be revoked in terms of section 42 of the Act.
- (3) If a licence is revoked in the circumstances contemplated in sub-regulation (2), the guarantee referred to in sub-regulation (1) shall be forfeited to the Board.

### CHAPTER 10

#### RECOVERY OF COSTS

#### 27. Recovery of investigation costs for grant or renewal of licence

- (1) Unless otherwise specified by the Board, an application for the grant or renewal of a licence shall be accompanied by the following deposit, or such other deposits as the Board may determine, for the recovery of costs incurred in terms of section 34 of the Act:

Casino operator licence	R250 000,00
Route operator licence	R150 000,00
Site licence	R 20 000,00
Bingo licence	R100 000,00
Bingo premises licence	R 10 000,00
Junket agent licence	R 10 000,00
Manufacturer licence	R 50 000,00
Distributor licence	R 50 000,00
Totalisator operator licence	R150 000,00
Totalisator premises licence	R 10 000,00
Bookmaker licence	R 10 000,00
Bookmaker premises licence	R 10 000,00
Key employee licence	R 1 800,00
Gambling employee licence	R 1 400,00

- (2) An amount paid to the Board in terms of sub-regulation (1) shall be paid into an interest-bearing account, which is to be separate from any other funds of the Board, at a banking institution or building society to the credit of the applicant concerned.
- (3) The interest, if any, on money deposited in terms of sub-regulation (1) shall accrue to the applicant.
- (4) The Chief Executive Officer may from time to time draw upon the deposits paid by the applicant for payment of all costs incurred by the Board in terms of section 34 of the Act.
- (5) The Chief Executive Officer shall keep proper accounting records containing particulars and information of any money received, held or paid by him or her for or on account of an applicant.
- (6) If a deposit approaches zero rand, the Board may request a further deposit of an amount equal to or less than the initial deposit; provided that, until receipt of such further deposit, any investigation relating to the applicant may cease.
- (7) A statement of draws upon the deposit, payments made by the Board and the balance available shall, at the request of an applicant, be provided within fourteen days of the date of such request.
- (8) Where an application for a licence is—
- withdrawn by the applicant or refused by the Board, any credit balance in respect of a deposit made shall be returned to the applicant within ninety days of the withdrawal or refusal accompanied by a statement reflecting all the draws upon the deposit, payments made by the Board and the balance available, or
  - granted by the Board, any credit balance in respect of a deposit made shall be transferred into a trust account opened by the Board in respect of such licence holder and managed by the Board, for the duration of validity of the licence, including any subsequent renewal thereof, in accordance with the provisions of this regulation.
- (9) If an applicant disputes any payments made or the need for further deposits, the applicant may request a written explanation from the Board regarding the matter in dispute.
- (10) No licence shall be issued until full payment has been made by the applicant in respect of any costs incurred in terms of section 34 of the Act.



- (11) For the purposes of this regulation, the word “applicant” shall mean every business entity or person required to be licensed in terms of sections 45, 46, 48, 50, 51, 53 and 55 of the Act.
- (12) An applicant, as defined in sub-regulation (11) shall, in respect of every application for the grant or renewal of a licence, submit application forms and pay all deposits for the recovery of costs referred to in sub-regulation (1), in respect of:
  - (a) the licence applied for as contemplated by sub-regulation (11), and
  - (b) the licences applied for in respect of all key and gambling employees to be employed by such applicant, for and on behalf of whom application shall be made by that applicant acting as the agent of those employees; provided that any disqualifying circumstances found, at any stage, to exist in respect of any person for whom and on whose behalf application is made shall not be imputed to the applicant as defined in sub-regulation (11), except as otherwise provided for by law, but shall apply only to the person in respect of whom they are found to exist.
- (13) Whenever an applicant makes application for and on behalf of any number of persons in the manner contemplated in sub-regulation (12), the provisions of sub-regulations (2) to (10) inclusive shall apply; provided that all individual deposits payable in terms of sub-regulation (1) made by the applicant shall be treated collectively in a single account, and no balance of such deposits, if appropriate, shall be returned to the applicant until all investigations outstanding in respect of each person for and on behalf of whom application has been made have been completed.

#### **28. Recovery of costs other than for grant or renewal of licence**

- (1) The Board may, before conducting any hearing, investigation or enquiry, other than a hearing, an investigation or an enquiry for the grant or renewal of a licence, inform the person to whom that hearing, investigation or enquiry relates of that hearing, investigation or enquiry and of the estimated costs involved.
- (2) The Board shall, in order to recover any costs incurred when conducting a hearing, an investigation or an enquiry or when performing any function other than for the grant or renewal of a licence, draw up a statement setting out all costs so incurred.
- (3) A person referred to in sub-regulation (1) shall, within thirty days of receipt of a statement referred to in sub-regulation (2), reimburse the Board for the costs incurred.
- (4) If a person disputes any costs incurred, he or she may request a written explanation from the Board regarding the matter in dispute.

#### **29. Recovery of costs for reproduction of document, form or record**

Subject to the provisions of sections 17 and 19 of the Act and other applicable legislation regulating access to information, any person may request a transcription of any audio record of the proceedings of the Board or a copy of any document, form or record of the Board, and the Board shall make the transcription or copy available to that person upon payment of the costs of its reproduction.

### **CHAPTER 11**

#### **PATRON DISPUTES**

#### **30. Resolution of patron disputes**

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

#### **31. Notification of Board in event of dispute**

- (1) Whenever a licence holder refuses to pay alleged winnings to a patron or a patron refuses to pay an alleged debt to a licence holder, for any reason, and the licence holder and the patron are unable to resolve the dispute to the satisfaction of both parties, the licence holder shall inform the patron that the dispute will be referred to the Board for resolution, and shall, within forty-eight hours, refer the dispute to the Board.
- (2) The provisions of sub-regulation (1) shall not preclude a patron from lodging a complaint directly with the Board.
- (3) The Board shall conduct whatever investigation it deems necessary to resolve the dispute and shall serve a written notice on the licence holder and the patron, informing them of the Board’s resolution.
- (4) The resolution of the Board shall become effective on the date when the parties receive a written notice of the resolution.

#### **32. Petition for hearing by Board**

- (1) Within fourteen days after the date of receipt of a written resolution of the Board referred to in regulation 31(4), any of the parties may file a petition with the Board requesting a hearing to reconsider the resolution.
- (2) The petition shall set forth the basis of the request for reconsideration.
- (3) The Board shall schedule a hearing and shall give both parties fourteen days written notice of the date, time and place of such hearing and shall submit a copy of the petition to both parties.
- (4) The party requesting a hearing referred to in sub-regulation (1) shall bear the burden of showing that the Board’s resolution should be reversed or amended.
- (5) Both parties shall at such hearing be entitled to lead relevant evidence and to address the Board.
- (6) The Board may uphold, amend or reverse its original resolution and shall make known its final resolution to both parties to the dispute in the manner deemed appropriate by it.

- (7) If no petition for reconsideration is filed within the time prescribed in sub-regulation (1), the resolution of the Board shall become final upon expiry of the period referred to in sub-regulation (1) and shall no longer be subject to reconsideration by the Board.
- (8) Effect shall be given to the Board's final resolution within seven days—
  - (a) of having been pronounced in terms of sub-regulation (6), or
  - (b) of the period referred to in sub-regulation (1).

## CHAPTER 12

### HEARINGS

#### 33. Person presiding

- (1) Subject to sub-regulation (2), the chairperson of the Board shall preside at a hearing of the Board in terms of the Act.
- (2) The chairperson may appoint a member or employee of the Board or the Board may co-opt a member to preside at or conduct a hearing of the Board.
- (3) The procedure to be followed in conducting a hearing shall be determined by the person presiding at the hearing, having regard to the circumstances of each case.

#### 34. Evidence at hearing

- (1) The rules of evidence applicable in a court of law need not be applied at a hearing in terms of the Act, and the person presiding shall in his or her discretion decide upon the admissibility of evidence.
- (2) Hearsay evidence may be admitted if the person presiding is satisfied that it is the best evidence available.
- (3) For the purposes of any hearing, the Board may take official notice of any information, principles or technical or scientific matter regarding gambling or racing which is generally known in the gambling and racing industry.

#### 35. Record of proceedings

- (1) The proceedings and evidence at a hearing shall be recorded in the manner deemed fit by the chairperson to ensure the preservation of the record.
- (2) Subject to the provisions of any applicable legislation, a recording of a hearing may be transcribed at the request of any party.
- (3) A copy of the record of a hearing shall be retained by the Board for a period of at least two years.
- (4) The provisions of regulation 29 shall apply with the necessary changes to a request in terms of sub-regulation (2).

#### 36. Decisions and final orders

- (1) The person presiding at a hearing shall render the Board's final order in writing and shall simultaneously furnish the reasons for that order.
- (2) Copies of the written order shall be served on the affected parties in accordance with these regulations.
- (3) A final order shall become effective when it has been served in terms of sub-regulation (2)

## CHAPTER 13

### SERVING OF NOTICES, ORDERS OR RESOLUTIONS

#### 37. Serving of notices, orders or resolutions

- (1) Any notice, order or resolution to be served on a person by the Board in terms of the Act or these regulations shall be in writing and shall be served—
  - (a) by personal delivery;
  - (b) by leaving a copy at the person's chosen domicilium or his or her place of residence, employment or business with the person apparently in charge of the premises at the time of delivery;
  - (c) in the case of a company or corporation, by delivering a copy to a responsible employee at its registered office or its principal place of business within the Province, or if there is no such employee willing to accept service, by affixing a copy to the main door of that office or place of business;
  - (d) by registered mail, or
  - (e) by facsimile transmission.
- (2) Any notice, order or resolution served in terms of sub-regulation (1)(d) or (e) shall be deemed to have been received, in the case of registered mail, seven days after it has been posted or, in the case of facsimile transmission, at 10:00 on the first business day following the date of transmission.

**CHAPTER 14**  
**ADVERTISING**

**38. Undesirable advertising**

- (1) No person shall display, publish or broadcast any advertisement or form of advertising with regard to gambling—
  - (a) without the Board's prior approval, or
  - (b) which has been declared to be undesirable in terms of this regulation.
- (2) The Board shall not approve any advertisement or form of advertising which in the opinion of the Board—
  - (a) is offensive;
  - (b) is in any way misleading;
  - (c) is in bad taste;
  - (d) may cause an over-stimulation of the latent demand for gambling, or
  - (e) contains a comparison between the advertiser and any other licence holder in respect of—
    - (i) the size of its gambling establishment;
    - (ii) the number of games available, or
    - (iii) the house advantage, hold, win or any like indication of the probability of winning or losing.
- (3) The Board may, by written notice to a licence holder, declare any advertisement or form of advertising undesirable on any of the grounds specified in sub-regulation (2).

**CHAPTER 15**  
**LICENCE TO BE DISPLAYED**

**39. Licence to be prominently displayed**

A licence issued in terms of the Act shall be prominently displayed in a conspicuous place in or on the licensed premises or, where such licence is required to take the form of an identification card, on the person of a licensed employee.

**CHAPTER 16**  
**BOOKS, ACCOUNTS AND RECORDS**

**40. General**

- (1) All books, accounts and records required to be kept by a licence holder in terms of the Act shall—
  - (a) be in the format;
  - (b) contain the information, and
  - (c) be kept in the manner approved by the Board, and
  - (d) unless otherwise specified, be retained for a period of at least five years.
- (2) The books, accounts and records referred to in sub-regulation (1) shall at all times—
  - (a) be kept in a safe place, and
  - (b) be immediately and easily accessible.

**42. Gambling and accounting records**

A licensed operator shall keep—

- (a) accurate, complete, legible and permanent records of all gambling transactions, and
- (b) accounting records maintained in accordance with generally accepted accounting principles, on a double entry system of accounting, with detailed subsidiary records, identifying revenue, expenses, assets, liabilities and equity, and such other records as the Board may require.

**42. Other records**

- (1) A licence holder shall keep—
  - (a) where it is a company—
    - (i) a copy of its memorandum and articles of association, including any amendments thereto;
    - (ii) a copy of the certificate to commence business;
    - (iii) a permanent register of all licensed employees, reflecting the date of appointment, status and, where applicable, date of termination of employment of each;
    - (iv) minutes of all shareholder meetings;
    - (v) minutes of all meetings of the directors and committees of the board of directors;
    - (vi) if the Board so requires, in the case of a company which is not listed, a register of all shareholders, listing every shareholder's name, address, the number of shares held and the date on which the shares were acquired, and
    - (vii) any other information prescribed by the Board, and
  - (b) where it is a close corporation—
    - (i) a copy of its founding statement and any amendments to that statement;
    - (ii) a copy of its association agreement and any amendments thereto;
    - (iii) minutes of all meetings of the members of the corporation;
    - (iv) a register of members, reflecting every member's name, current address, membership interest expressed as a percentage and the date of admission as a member, and
    - (v) a permanent register as contemplated in sub-regulation (a)(iii).

**43. Audited financial statements**

- (1) A licensed operator shall at the end of each financial year prepare annual financial statements in accordance with statements of *Generally Accepted Accounting Practice* promulgated by the Accounting Practices Board.
- (2) A licensed operator shall appoint an independent accountant and auditor, registered with the Public Accountants' and Auditors' Board, who shall audit the licensed operator's annual financial statements in accordance with generally accepted auditing standards.
- (3) A licensed operator shall, not later than one hundred and twenty days of the last day of its financial year, or such further period as may be approved by the Board, submit to the Board copies of its audited annual financial statements and any reports communicating the results of the audit, including management letters.
- (4) The Board may request additional information or documents from either the licensed operator or its auditor regarding the financial statements or the services performed by the auditor.
- (5) The independent auditor referred to in sub-regulation (2) shall, as part of the annual audit, evaluate and report on the licensed operator's compliance with its approved system of internal control in accordance with such benchmarking standards as the Board may from time to time stipulate.
- (6) A report in terms of sub-regulation (5) shall be submitted to the Board with the audited financial statements, if requested or required by the Board.

**44. Returns and reports to be rendered**

A licence holder shall submit such returns and reports as the Board may from time to time determine within such times and in the manner and format determined by the Board.

**CHAPTER 17****CREDIT EXTENSION****45. Credit extension**

- (1) Subject to compliance with all applicable legislative provisions in respect of the provision or extension of credit, the holder of a casino operator, totalisator operator or bookmaker licence may extend credit to a patron; provided that prior to the extension of such credit, the licence holder shall obtain and record, in a manner determined by the Board and, where applicable, in accordance with its approved system of internal control, sufficient information regarding the patron's identity, credit history and financial capacity, with reference to the extent of the credit requested.
- (2) All credit extensions shall, unless the Board determines otherwise, be evidenced by a credit instrument signed at the time of credit extension by the patron who receives the credit.
- (3) A credit instrument referred to in sub-regulation (2) shall contain sufficient information to allow for the collection of the debt and any other information the Board may require following the receipt of the instrument.

- (4) Failure by a licensed casino operator or bookmaker to deposit a negotiable instrument for collection by the first banking day following the receipt thereof shall, for the purposes of this Chapter, be deemed to be an extension of credit.
- (5) A licensed casino operator or bookmaker shall pursue the collection of all credit instruments in accordance with its approved system of internal control.
- (6) The gambling debts owing to a licensed casino operator, totalisator operator or bookmaker may be settled for less than the full amount of the debt; provided that the licensed casino operator, totalisator operator or bookmaker shall record in its records the basis for such settlements and shall, where applicable, comply with its approved system of internal control.

## CHAPTER 18

### CASH TRANSACTIONS

#### 46. Prohibited transactions by licensed operator

- (1) A licensed operator shall not exchange cash for cash except to enable a patron to participate in gambling where cash is used as the stake or for the purpose of converting cash won by the client after participating in gambling into different denominations of cash.
- (2) A licensed operator shall not issue a cheque or other negotiable instrument nor shall any transfer of funds be effected to or on behalf of a patron in exchange for cash other than by means of negotiable instruments, chips or tokens, unless the licensed operator is satisfied that the patron has genuinely become entitled to winnings in such amount pursuant to a gambling transaction.

#### 47. Transactions to be reported

- (1) A licensed operator shall, in the manner and format and within the periods of time stipulated by the Board, report the following transactions:
  - (a) the exchange of cash for cash or a negotiable instrument with or on behalf of a patron in any transaction where the amount of the exchange exceeds twenty-five thousand rand;
  - (b) the issue of a cheque or any other negotiable instrument to a patron, or any transfer of funds on behalf of a patron in exchange for cash or a negotiable instrument in any transaction where the value of the exchange exceeds twenty-five thousand rand;
  - (c) the redemption by a patron, in any transaction, of chips or tokens having a face value of more than twenty-five thousand rand for cash or a negotiable instrument;
  - (d) the sale or issue to a patron, pursuant to any transaction, of more than twenty-five thousand rand's worth of chips or tokens in exchange for cash or a negotiable instrument;
  - (e) the receipt, in any transaction, of cash or a negotiable instrument with a value exceeding twenty-five thousand rand from a patron as a deposit for gambling;
  - (f) the receipt, in any transaction, of cash or a negotiable instrument with a value exceeding twenty-five thousand rand from a patron by way of payment for credit previously extended;
  - (g) the acceptance of cash or a negotiable instrument with a value exceeding twenty-five thousand rand as a wager at any gambling game at which chips are not customarily used for wagering, or
  - (h) the receipt from or disbursement to a patron of cash or a negotiable instrument with a value exceeding twenty-five thousand rand in any transaction not specifically covered by paragraphs (a) to (g).
- (2) A licensed operator shall not knowingly allow, and shall take all reasonable steps to prevent, the circumvention of any of the provisions of this Chapter by entering into or permitting multiple transactions with a patron or a patron's agent or accomplice in any twenty-four hour period.
- (3) For reporting purposes a licensed operator shall aggregate all cash transactions entered into within any twenty-four hour period between itself and a patron or a person whom the licensed operator knows or should reasonably suspect to be such patron's agent or accomplice.
- (4) Every licence holder shall, in its system of internal control, include procedures to comply with the provisions of this Chapter.

#### 48. Transaction reports

- (1) A licensed operator shall, before completing a transaction referred to in regulation 47—
  - (a) obtain the patron's name, permanent address and identity number;
  - (b) verify the accuracy of the information obtained in terms of paragraph (a) by examining the patron's identity document, passport or other reliable identity credential;
  - (c) record, in the manner and using the forms required or approved by the Board—
    - (i) the date of the transaction;
    - (ii) the amount of the transaction;
    - (iii) the nature of the transaction;
    - (iv) the patron's name and permanent address;
    - (v) the patron's identity number;

- (vi) the method used to verify the patron's identity, and
  - (vii) the name or other identifying information required by the Board in lieu thereof in respect of the person handling the transaction and recording the information on behalf of the licence holder, and
- (d) obtain and record any other information in respect of the transaction as may be determined by the Board from time to time.
- (2) A licensed operator shall submit to the Board such particulars in respect of the records contemplated in sub-regulation (1)(c) as the Board may from time to time direct, within fourteen days after the end of the month to which the records relate.

## CHAPTER 19

### STAKES, PRIZES AND RETURN TO PATRONS

#### 49. Maximum stakes

The Board may, in respect of any gambling game or bet, determine a maximum amount that may be staked on the gambling game or bet; provided that the maximum amount to be staked on a game played on a limited payout machine shall not exceed five rand.

#### 50. Maximum prizes

The Board may, in respect of any gambling game or bet, determine the maximum prize that may be won in such gambling game or bet; provided that the maximum prize to be won in a game on a limited payout machine shall not exceed five hundred rand.

#### 51. Prizes to be displayed

All winning combinations in respect of any gambling activity, together with the corresponding prizes, shall be clearly displayed or easily accessible to a patron.

#### 52. Return to player percentages

- (1) Return to player percentages in respect of gambling shall not be less than—
- (a) a calculated theoretical return to player percentage of 80 per cent, in the case of a slot machine other than a limited payout machine;
  - (b) an empirical return to player percentage, calculated in respect of such period as the Board may require or specify, of 80 per cent in the case of a table game;
  - (c) a calculated theoretical percentage return to player of 80 per cent in the case of a limited payout machine, and
  - (d) 65 per cent, calculated in respect of such period as the Board may require or specify, in the case of bingo.
- (2) Betting on a licensed totalisator shall render a theoretical return to player percentage of not less than 75 per cent.

## CHAPTER 20

### REGISTRATION AND MAINTENANCE OF GAMBLING DEVICES

#### 53. Gambling and related devices to be registered

The holder of any operator licence shall keep and maintain accurate registers of the following gambling and related devices in the manner and form approved by the Board:

- (i) roulette tables and layouts;
- (ii) roulette wheels;
- (iii) blackjack tables and layouts;
- (iv) dice tables and layouts;
- (v) punto banco tables and layouts;
- (vi) poker tables and layouts;
- (vii) slot machines;
- (viii) card shuffling devices, and
- (ix) such other gambling and related devices as the Board may specify.

#### 54. Maintenance of registered gambling and related devices

The holder of an operator licence shall maintain all gambling and related devices used or available for play in a good working condition and shall ensure ongoing compliance with the approved norms and standards for such gambling devices.

**55. Records to be kept by licence holder**

The holder of an operator licence shall keep such records in respect of all gambling and related devices contemplated in regulation 54 as the Board may require or approve.

**CHAPTER 21****CHIPS AND TOKENS****56. Redemption and disposal of discontinued chips or tokens**

(1) Prior to—

- (a) the permanent removal from use or circulation of approved chips or tokens;
- (b) the replacement of approved chips or tokens, or
- (c) the cessation of operations

at a gambling establishment, for any reason, the holder of the relevant operator licence shall submit to the Board for its approval a written proposal pertaining to the redemption of chips or tokens issued by it which remain outstanding at the time of such removal from use or circulation or the replacement thereof.

- (2) The licence holder shall submit the proposal contemplated in sub-regulation (1) to the Board not less than thirty days before the proposed removal, replacement, or cessation of operations, unless the cause for discontinuation of the chips or tokens could not reasonably have been anticipated, in which event the licence holder shall submit the proposal within a period which is reasonable in the circumstances, or such other period as may be determined by the Board.
- (3) The Board may approve the proposal or require such modifications thereto as it may stipulate as a condition of approval.
- (4) Upon notification of approval of the proposal referred to in sub-regulation (1), the licence holder shall implement the proposal in the format approved.
- (5) In addition to such other provision as the Board may approve or require, the proposal shall provide for—
  - (a) the redemption of outstanding or discontinued chips or tokens in accordance with this Chapter over a period of at least one hundred and twenty days after the removal, replacement or cessation of operations or over such longer or shorter period as the Board may, on good cause shown, approve or require;
  - (b) the redemption of such chips and tokens at the premises of the gambling establishment or at such other location as the Board may approve;
  - (c) the publication of a notice, at such times and in such format as approved by the Board, in respect of the discontinuation of the chips or tokens, indicating the times and locations at which redemption thereof may be effected, in at least two newspapers of general circulation in the region and approved by the Board and one such newspaper in the Province at least twice during each week of the period allocated in respect of redemption;
  - (d) the conspicuous posting of the notice referred to in paragraph (c) at various locations of the gaming establishment or other redemption location, and
  - (e) the destruction or such other disposition of the discontinued chips or tokens as the Board may approve or require.

**57. Destruction of counterfeit chips or tokens and disposal of coins**

- (1) The holder of an operator licence shall destroy or otherwise dispose of counterfeit chips or tokens discovered at its gambling establishment in such manner as the Board may approve or require.
- (2) A licence holder may dispose of coins of the Republic of South Africa or any other country discovered to have been unlawfully used at its establishment by including them in its coin inventory or, in the case of foreign coins, by exchanging them for local currency or coins and including same in its currency or coin inventory, or by disposing of them in any other lawful manner.
- (3) In addition to such other information as the Board may require in respect of coins and counterfeit chips or tokens destroyed or otherwise disposed of in terms of this Chapter, the relevant licence holder shall record—
  - (a) the number and denominations, actual and purported, thereof;
  - (b) the month during which they were discovered;
  - (c) the date, place and method of destruction or other disposition, including, in the case of foreign coin exchanges, the applicable exchange rate and the identity of the bank, exchange company or other business or person effecting the exchange, and
  - (d) the names of any persons carrying out the destruction or other disposition in terms of this regulation on behalf of the licence holder.

**58. Other value instruments**

Value instruments with which gambling is conducted other than those contemplated in this Chapter shall be designed, manufactured, approved, used, discontinued, destroyed and otherwise disposed of in accordance with the provisions of this Chapter, provided that—

- (a) such other instruments shall be of such shape, size and design and comply with such other specifications as the Board may approve or require, and

- (b) the Board may, in its discretion, withhold approval of other value instruments, other than chips or tokens, or may grant approval subject to such conditions as it considers appropriate.

#### **59. Applicability of Chapter to holder of route operator licence**

All provisions of this Chapter in respect of tokens shall apply, with the necessary changes, to the holder of a route operator licence.

### **CHAPTER 22**

#### **PROGRESSIVE CASINO GAMES**

#### **60. Progressive jackpot displays, meters and limits**

- (1) A meter, showing the current amount of a progressive jackpot, shall be conspicuously displayed at or in the immediate vicinity of the gambling game to which such jackpot applies.
- (2) At least once each day, the licence holder shall record on a progressive meter reading sheet, maintained in respect of each progressive jackpot meter displayed at its gambling establishment, other than such jackpots which can be paid directly from the hopper of the gambling machine in respect of which they are offered—
  - (a) the amount displayed on such progressive jackpot meter;
  - (b) explanations for any meter-reading decrease, and
  - (c) the jackpot pay-out form number, where the explanation for a meter-reading decrease is the payment of a jackpot.
- (3) A licence holder shall record on each progressive meter reading sheet the base amount of the progressive jackpot to which that sheet pertains.
- (4) A licence holder may limit a progressive jackpot to an amount which is equal to or greater than the current amount of the jackpot at the time of the imposition of such limit, provided that a conspicuous notice of such limit shall, at the time of imposition of such limit, be posted at or in the immediate vicinity of the gambling game to which such limit applies.

#### **61. Reductions of progressive jackpots**

A licence holder 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 licence holder 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(4), and the licence holder documents such adjustment and the reasons therefor, or
- (c) the licence holder 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 licence holder's establishment, and—
  - (i) the licence holder documents such transfer;
  - (ii) such incremental amount is transferred to the same type of gambling game, and
  - (iii) the transfer is completed no later than ten days after the progressive jackpot is withdrawn from play or within such longer period as the Board may, on good cause shown, approve.

### **CHAPTER 23**

#### **MINIMUM CASINO BANKROLL REQUIREMENT**

#### **62. Minimum casino bankroll requirement**

- (1) The holder of a casino operator licence shall maintain, in such a manner and amount as the Board may approve or require, cash or cash equivalents in an amount sufficient reasonably to protect the licence holder's patrons against defaults by it in respect of gambling debts owed by it.
- (2) The Board shall distribute to licence holders and make available to all interested persons a formula by means of which licence holders shall determine the minimum casino bankroll requirement.
- (3) If at any time the licence holder's available cash or cash equivalents become less than the amount required in terms of sub-regulation (2), the licence holder shall immediately notify the Board of such shortfall 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 sub-regulation (3), is an offence.



**CHAPTER 24****MANUFACTURERS AND DISTRIBUTORS****63. Approval of devices and games**

- (1) The holder of a manufacturer or distributor licence shall not provide or in any way sell, lease or supply to any licence holder 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 licence holder 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.

**64. Alterations and modifications prohibited**

A licence holder shall not alter the manner of operation of, or otherwise modify any gambling device or gambling game without the prior written approval of the Board.

**65. Summary suspension of approval**

- (1) The Board may issue a summary order, with or without notice to the relevant licence holders, suspending approval of a gambling device if it determines that such device does not operate in the manner 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 an order contemplated in sub-regulation (1), the Board may seal or seize all models of the gambling device in respect of which approval has been suspended.

**CHAPTER 25****OFFENCES AND PENALTIES****66. Offences and penalties**

Contravention of any of these Regulations, or failure to comply therewith, by any person shall—

- (a) upon conviction on a criminal charge, be punishable with a fine not exceeding five hundred thousand rand or imprisonment for a period not exceeding two years, or both such fine and such imprisonment, and
- (b) where established by the Board to have occurred in consequence of any hearing, investigation or enquiry conducted pursuant to the Act, be punishable with a fine not exceeding five hundred thousand rand, or both such fine and such other administrative penalty, not being a further fine, as the Board may deem appropriate.

**CHAPTER 26****PAYMENT OF TAXES****67. Payment of taxes by the holders of casino operator, route operator and bingo licences**

- (1) The holder of a casino operator, route operator or bingo licence shall, within five working days after the end of each tax period contemplated in paragraph 2 Part B, of Schedule III, of the Act:
  - (a) submit to the Board a tax return in such format and containing such information as the Chief Executive Officer may from time to time determine; and
  - (b) pay into the bank account of the Board the amount of tax due to the Provincial Administration of the Western Cape calculated in the tax return referred to in paragraph (a).
- (2) Where a return contemplated in sub-regulation (1) is inaccurate in any respect, the Chief Executive Officer may remit such return to the licence holder and call upon the licence holder to resubmit an amended return.
- (3) The licence holder shall, within five days of receipt of an inaccurate return contemplated in sub-regulation (2), submit an amended return to the Board, which shall replace the return submitted in terms of sub-regulation (1).
- (4) Where applicable, upon submission of an amended return contemplated in sub-regulation (3), the licence holder shall deposit into the bank account of the Board, any monies due to the Provincial Administration of the Western Cape in excess of the amounts paid over in terms of sub-regulation (1)(b).
- (5) The Board shall within 7 days of receipt of the tax referred to in sub-regulation (1)(b), or sub-regulation (4), as the case may be, pay such tax into the Provincial Revenue Fund.

**68. Payment of taxes by the holder of a totalisator operator licence**

- (1) The holder of a totalisator operator licence shall, within the period of seven days referred to in sub-regulation (2), submit to the Board a return, in the manner and form required by the Board, in respect of a totalisator conducted during the preceding tax period by such licence holder, in which taxable revenue contemplated in Schedule III of the Act is shown, or in which, if there was no taxable revenue, that fact shall be stated.

- (2) The return referred to in sub-regulation (1) shall be submitted within seven days after the last day of the preceding tax period, being the last day of the preceding calendar month, in respect of all occasions in such tax period on which a totalisator was conducted.
- (3) If any day on which the return contemplated in sub-regulations (1) and (2) is to be submitted, is a Saturday, Sunday or public holiday, such return shall be submitted not later than the next working day thereafter.
- (4) The tax payable in terms of sub-regulation (1) shall be paid simultaneously with the submission of the return contemplated in sub-regulation (1).
- (5) The provisions of regulation 68(2), (3), (4) and (5) shall apply, with the necessary changes, to the holder of a totalisator operator licence.

**69. Payment of tax by the holder of a bookmaker licence**

- (1) In accordance with Schedule IV of the Act, as amended, the holder of a bookmaker licence shall, by no later than Thursday in each week, or, if any Thursday is a public holiday, not later than the next working day thereafter, submit to the Board a return in the form and containing such information in respect of the betting transactions conducted by it during the preceding tax period, as may be determined by the Board; provided that if there were no such transactions, that fact shall be stated.
- (2) The percentage of tax to be collected by the holder of a bookmaker licence in respect of all winning bets shall be three per cent.
- (3) The tax payable on winning bets reflected in the return contemplated in sub-regulation (1) shall be paid simultaneously with the submission of such return.
- (4) Where a return contemplated in sub-regulation (1) is inaccurate in any respect, the Chief Executive Officer may remit such return to the licence holder and call upon the licence holder to resubmit an amended return.
- (5) The licence holder shall, within five days of receipt of an inaccurate return contemplated in sub-regulation (4), submit an amended return to the Board, which shall replace the return submitted in terms of sub-regulation (1).
- (6) Where applicable, upon submission of an amended return contemplated in sub-regulation (5), the licence holder shall deposit into the bank account of the Board, any tax amounts due in excess of the amounts paid over in terms of sub-regulation (1).
- (7) The Board shall, within seven days of receipt of the tax referred to in sub-regulation (3), or sub-regulation (6), as the case may be, pay the amount so received into the Provincial Revenue Fund.
- (8) Any taxes so received, will be deemed to have been imposed and paid in terms of Schedule IV of the Act.

**70. Payment of betting levy by holder of bookmaker licence**

- (1) The holder of a bookmaker licence shall, simultaneously with the submission of the return required in terms of regulation 69(1), submit to the Board a return reflecting—
  - (a) the total rand value of betting transactions conducted by it during the preceding tax period, and
  - (b) the amount of the betting levy payable to the Board, calculated pursuant to sub-regulation (2).
- (2) The percentage of the betting levy to be collected by the holder of a bookmaker licence in respect of all winning bets with that holder shall be three per cent.
- (3) The betting levy payable on winning bets reflected in the return contemplated in sub-regulation (1) shall be paid simultaneously with the submission of such return.
- (4) Where a return contemplated in sub-regulation (1) is inaccurate in any respect, the Chief Executive Officer may remit such return to the licence holder and call upon the licence holder to submit an amended return.
- (5) The licence holder shall, within five days of receipt of an inaccurate return contemplated in sub-regulation (4), submit an amended return to the Board, which shall replace the return submitted in terms of sub-regulation (1).
- (6) Where applicable, upon submission of an amended return contemplated in sub-regulation (5), the licence holder shall deposit into the bank account of the Board, any amounts due in excess of the amounts paid over in terms of sub-regulation (1).

**71. Payment of betting levy to holder of totalisator operator licence**

Subject to compliance by the holder of the totalisator operator licence in the province of Western Cape with regulation 72, the Chief Executive Officer shall, within seven days of receipt of the betting levy referred to in regulation 70(3) or (6), as the case may be, pay the whole amount so received to such licence holder.

**72. Duties of holder of totalisator operator licence regarding betting levy**

- (1) The holder of the totalisator operator licence shall, on a quarterly basis, submit to the Board a return, together with such supporting documentation as may be required by the Board, which shall conclusively prove that the total amount of the betting levy paid over to it during the preceding quarter was exclusively applied to the development of horseracing and totalisator betting in the Western Cape or retained in a separate account used exclusively for such purpose.
- (2) Subject to the provisions of sub-regulations (3), (4) and (5), expenditure incurred in respect of—
  - (a) stakes payable in respect of horseracing held in the Western Cape;
  - (b) the upgrading of existing or the development of new quarantine facilities for horses in the Western Cape;

- (c) the upgrading of existing or the development of new training centre facilities in the Western Cape for use by the holder of the totalisator operator licence;
  - (d) the upgrading of existing racecourse facilities in the Western Cape;
  - (e) the upgrading of existing or development of new Totalisator Agency Board facilities in the Western Cape, and
  - (f) the expansion of technology betting in Totalisator Agency Board facilities and on racecourses in the Western Cape
- shall be expenditure incurred for the development of horseracing and totalisator betting in the Western Cape.
- (3) For the purposes of sub-regulation (2), any expenditure incurred shall be recognised as having been incurred for the purpose of upgrading a facility where such expenditure has the effect of modifying that facility, or a material component thereof, so as to—
    - (a) extend its useful life or effect an increase in its capacity;
    - (b) achieve a substantial improvement in the quality of output, or
    - (c) enable a substantial reduction in previously assessed operating costs.
  - (4) No less than twenty-five percent of the total amount paid over to the holder of the totalisator operator licence pursuant to regulation 71 in any year shall be allocated to stakes payable in respect of horseracing in the Western Cape; provided that the total amount expended on or allocated to stakes during each full year in which the levy is paid to the holder of the totalisator operator licence pursuant to regulation 71, shall not be less than the sum of the amount expended on stakes during the immediately preceding year.
  - (5) No portion of any sum paid over to the holder of the totalisator operator licence pursuant to regulation 71 shall be allocated to—
    - (a) the payment of costs ordinarily incurred in the day-to-day administration of its business by such licence holder;
    - (b) the payment of costs incurred by such licence holder in respect of the National Horseracing Authority;
    - (c) the payment of investigation or licensing costs incurred by such licence holder in terms of the Act, or
    - (d) the refinancing of any part of its business, the business of its management company or the business of any entity with which it is affiliated.

### **73. Duty of Chief Executive Officer regarding betting levy**

If the holder of the totalisator operator licence does not comply with regulation 72, the Chief Executive Office shall immediately cease payment of any betting levy which would otherwise have been payable to such licence holder, and shall immediately pay such levy into the Provincial Revenue Fund.

## ANNEXURE “2”

EXPLANATORY MEMORANDUM TO PROPOSED AMENDMENTS TO  
THE WESTERN CAPE GAMBLING AND RACING REGULATIONS

<b>Regulation #</b>	<b>Motivation for proposed amendment</b>
1. Definitions	To replace the reference to the “Law” with a reference to the “Act”, and to delete certain other definitions which no longer appear in the body of the text.
2. Composition of Board	This provision specifies the ideal composition of the Board, so as to provide for an optimal blend of skills on the part of its members. This provision is in substantially the same form as its predecessor, which was however repealed (after the Board had been established) in October 1996. However, most provincial legislation provides for the ideal composition of provincial gambling boards, and after discussion with representatives of the Provincial Treasury, it was decided to reintroduce this provision. However, a proviso has been inserted to ensure that decisions of the Board may not be open to legal challenge or review merely on the grounds that the composition of the Board, at the time of reaching any such decision, was not in full alignment with the provisions of this Regulation.
3. Nomination of candidates	Linguistic amendments only. No material change effected.
4. Procedure for appointment	Formal amendments only.
5. Appeal in respect of delegated powers or functions	Amended to make it clear that where patron disputes are resolved pursuant to delegated authority, the provisions of this regulation (regarding the time-frame within which an appeal may be lodged) do not apply, but that the situation is governed by the provisions of Regulation 32, which requires a party to petition the Board to reconsider the resolution within 14 days thereof, failing which it will become final.
6. General	Linguistic amendments only. No material change effected.
7. Application and information	Expanded slightly to provide greater clarity as to the procedure to be followed when incomplete applications are submitted, and the options open to the Board in this regard.
8. Advertising of application	Linguistic amendments only. No material change effected.
9. Transmission of information	Sub-regulation (4) now specifies that only applications for casino operator and route operator licences will be made available for inspection at the Offices of the Board, as practicalities require this. The salient provisions of other applications are advertised, allowing adequate information for the purposes of public comment and/or objection.
10. Objections and comment	Linguistic amendments only. No material change effected.
11. Withdrawal of application	Linguistic amendments only. No material change effected.
12. Disqualified persons	Linguistic amendments to sub-regulation (1). Sub-regulations (2) & (3) inserted to provide for procedure to be followed if disqualification ensues after the grant of a licence/certificate of suitability. These provisions are in line with corresponding provisions of national legislation.
13. Disqualified person not to profit	Linguistic amendments only. No material change effected.
14. Key employees	Refines the existing provisions to preclude unnecessary licensing as key employees of managers of a licensee who play no role in gambling operations or related decision-making processes, and removes persons employed on licensed sites (who cannot influence the integrity of gambling operations) from the category of persons requiring licensing.
15. Temporary employee licence	Linguistic amendments only. No material change effected.
16. Proof of licensing on employment record	Linguistic amendments only. No material change effected.
17. Suspension or revocation of licence	Linguistic amendments only. No material change effected.
18. Finding of suitability	Refines the wording of the existing provision relating to findings of suitability and imposes an onus on the holder of a certificate of suitability to apply for its renewal timeously, failing which penalties may be imposed on either the licensee with which the holder is connected and/or the holder itself. The amended regulation also extends the requirement for a finding of suitability to persons or entities who or which receive income directly or indirectly from a licence holder for the sole or primary purpose of applying such income to facilitate compliance with the objectives of any bid undertakings or commitments made by or licence conditions imposed upon such licence holder, to enable the Board to exercise regulatory control over such entities and ensure that they deliver on their mandate.
19. Financial interest in holder of certificate of suitability	Imposes duties on certificate of suitability holders to notify the Board within 7 days of an acquisition of a financial interest of 20% or more therein or, through such an acquisition, of an interest equating to 5% or more in the licensee with which the holder is connected.
20. Termination of association	Unchanged.
21. Procedures in respect of procurement	Material amendments have been made in this context. This is because, for practical commercial reasons, section 58 of the Act now no longer provides that the prior approval of the Board must be procured where persons acquire a financial interest of or above a certain threshold in a licensee. The Regulation now prescribes the period within which the Board must be notified of acquisitions or disposals of shareholding in licensees (7 days), the form which this notification should take and the information which it must contain. In addition, the Act now makes provision for different categories of investor, recognising that there are large corporate public and institutional investors which, although they may acquire an interest in a licensee, acquire such an interest on behalf of a great number of individual investors for investment purposes only, and that no person will, through such a transaction, acquire an interest to the extent which would require a probity investigation to be performed. Further refinements to the Regulation also require licensees to monitor and report upon their ownership profile (and that of any holder of a certificate of suitability connected to it), if required to do so by the Board, in the manner and format required by the Board.
22. Gambling-related contracts	Unchanged (previously Regulation 23).
23. Submission of gambling-related contracts	Unchanged (previously Regulation 24).
24. Contracts for submission to Board	This specifies certain categories of contract requiring approval by the Board, which must be submitted by licensees, unless otherwise directed by the Board.

25. Gambling establishments	Linguistic amendments only. No material change effected.
26. Guarantee for completion of premises	Linguistic amendments only. No material change effected.
27. Recovery of investigation costs for grant/renewal of licence	For practical reasons, the deposits payable in respect of the following categories of licences were increased as follows: Site licence— increased from R10 000 to R20 000 Key employee licence— increased from R750 to R1 800 Gambling employee licence— increased from R500 to R1 400 These monies are deposited into interest-bearing accounts to the credit of the relevant applicants and administered by the Office of the Board to defray expenses. No prejudice is therefore occasioned by the increases.
28. Recovery of costs (other)	Linguistic amendments only. No material change effected.
29. Recovery of costs for records, etc.	Linguistic amendments only. No material change effected.
30. Resolution of patron disputes	Unchanged.
31. Notification of Board	Linguistic amendments only. No material change effected.
32. Petition for hearing	Unchanged.
33. Person Presiding	Linguistic amendments only. No material change effected.
34. Evidence at hearing	Linguistic amendments only. No material change effected.
35. Record of proceedings	Linguistic amendments only. No material change effected.
36. Decisions & final orders	Linguistic amendments only. No material change effected.
37. Serving of notices etc.	Linguistic amendments only. No material change effected.
38. Undesirable advertising	Linguistic amendments only. No material change effected.
39. Licence to be displayed	Makes provision for the display of a licence on the premises, but adds that in the case of employee licences, these may take the form of an identification card displayed on the person of the employee.
40. General	Linguistic amendments only. No material change effected.
41. Gambling & accounting records	Linguistic amendments only. No material change effected.
42. Other records	Linguistic amendments only. No material change effected.
43. Audited financial statements	Linguistic amendments only. No material change effected.
44. Returns & reports to be rendered	Adds "reports" to the existing provision to clarify that the obligation on licence holders to submit information to the Board in the format that it may require extends further than merely the submission of (tax) returns.
45. Credit extension	Updates the existing provision by making it subject to compliance with the National Credit Act, and adds the totalisator operator as a category of licensee which is authorised to extend credit for the purpose of betting.
46. Prohibited transactions	Amends sub-regulation (2) to make it clear that licensees may not issue cheques to patrons unless they have confirmed that the patron has won the relevant amount, as a measure to prevent money-laundering.
47. Transactions to be reported	Linguistic amendments only. No material change effected.
48. Transaction reports	Linguistic amendments only. No material change effected.
49. Maximum stakes	Linguistic amendments only. No material change effected.
50. Maximum prizes	Linguistic amendments only. No material change effected.
51. Prizes to be displayed	Linguistic amendments only. No material change effected.
52. Return to player percentages	Rewords the existing provision to stipulate that the <b>calculated theoretical</b> return to player percentage in respect of gambling machines in casinos shall not be less than 80%, as the return is based on a calculation of theoretical probabilities (based on which gambling machines are tested and certified as having the capacity to deliver this return over a period of time. A calculated theoretical return to player percentage is also the internationally accepted and enforced threshold for gambling software, and as such is also the percentage to player return requirement in respect of limited payout machines. If the theoretical percentage is not reduced to 80% in respect of gambling machines inside casinos, licensees will not be able to make use of competitive products. However, measures will be put in place to ensure that the <b>actual</b> return to player percentage remains at a minimum of 85%, so that no prejudice to the public will be occasioned. It should be noted that, in any event, most slot machine games in the casino environment deliver a return to player percentage of well over 90%, as it is not in the interests of the licensed operator to manipulate its return to players downwards.
53. Gambling & related devices to be registered	Renumbered, as the existing Regulation 53 deals with amusement games, which are now defined and provided for to the extent necessary in the Act itself. In consequence, the remaining regulations have been renumbered. In all other respects, the content of this provision remain unchanged.
54. Maintenance of registered gambling devices	Renumbered. Linguistic amendments only. No material change effected.
55. Records to be kept	Renumbered, but unchanged.
56. Redemption and disposal of discontinued chips/tokens	Renumbered. Linguistic amendments only. No material change effected.
57. Destruction of counterfeit chips/tokens & coin disposal	Renumbered. Linguistic amendments only. No material change effected.
58. Other value instruments	Renumbered. Linguistic amendments only. No material change effected.
59. Applicability of Chapter to route operators	Renumbered. Linguistic amendments only. No material change effected.
60. Progressive jackpot displays, meters & limits	Renumbered. Linguistic amendments only. No material change effected.
61. Reductions of progressive jackpots	Renumbered. Formal amendments only. No material change effected.
62. Minimum casino bankroll requirement	Renumbered. Linguistic amendments only. No material change effected.
63. Approval of devices and games	Renumbered, but unchanged.
64. Alterations & modifications prohibited	Renumbered. Linguistic amendments only. No material change effected.
65. Summary suspension of approval	Renumbered. Linguistic amendments only. No material change effected.
66. Offences and penalties	Renumbered. The amended provision draws a distinction between penalties applicable on conviction by a criminal court (providing for an alternative period of imprisonment to a fine) and the administrative sanction which the Board may impose (not exceeding five hundred thousand rands).
67. Payment of taxes: casinos route operators & bingo	Renumbered. Linguistic amendments only. No material change effected.
68. Payment of taxes— Totalisator	Renumbered. Linguistic amendments only. No material change effected.
69. Payment of tax bookmakers	Renumbered. Linguistic amendments only. No material change effected.

70. Payment of betting levy	Renumbered. Linguistic amendments only. No material change effected.
71. Payment of betting levy to totalisator	Renumbered, but unchanged.
72. Duties of totalisator re betting levy	Renumbered and sub-regulation (3) inserted to provide greater clarity as to the meaning of the term "upgrade" for the purposes of allocation of the betting levy by the totalisator operator. Sub-regulation (4) amended to provide that the amount expended on stakes each year shall not be less than the amount so expended during the previous year, to ensure that stakes expenditure increases in real terms from year to year.
73. Duty of CEO re betting levy	Renumbered, but unchanged.



