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PROVINCIAL NOTICE

The following Provincial Notice is published for general information.

L. D. BARNARD,
DIRECTOR-GENERAL

Provincial Building,
Wale Street,
Cape Town.

P.N. 225/1997

27 June 1997

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

The following Draft Regulations are hereby published for general information and comment:—

PROPOSED WESTERN CAPE GAMBLING AND RACING REGULATIONS

(a) All interested parties are invited to submit written comment on the Draft Regulations before or on 18 July 1997. Such comment should be forwarded to —

(i) The Acting Chief Executive Officer
PO Box 8175
ROGGEBAAI
8012

OR

(ii) Faxed to (021) 22-2605 (for the attention of Mr M du Preez).

(b) The name, telephone number, fax number and address of the person submitting the comment should be stated clearly.

CHAPTER I

Definitions

1. In this Regulations any word or expression to which a meaning has been assigned to in the Western Cape Gambling and Racing Law, 1996 (Law 4 of 1996), shall have the meaning so assigned to it and, unless the context otherwise indicates —

- (1) 'amusement machine' means any machine or device other than a gambling device on or by means of which an amusement game may be played;
- (2) 'cash' means any coins or notes or currency that is customarily used and accepted as money;
- (3) 'Director-General' means the Director-General of the province of the Western Cape or any person designated in writing by him or her;
- (4) 'employee' means a gambling employee or a key employee referred to in sections 56 and 57 of the Law;
- (5) 'gambling related contract' means a contract referred to in section 59 of the Law;
- (6) 'Law' means the Western Cape Gambling and Racing Law, 1996 (Law 4 of 1996), as amended;
- (7) 'proposition player' means a person in a gambling game paid a fixed sum by the licence holder for the specific purpose of playing in a gambling game, who uses personal funds and who retains the winnings and absorbs the losses;
- (8) 'skill' means a player in a gambling game who is provided by or employed by a gambling operator who only bets money provided by the gambling operator, and
- (9) 'token' means a token coin or token money redeemable for cash and issued or sold by a licence holder for use at gambling.

CHAPTER 2

APPOINTMENT OF BOARD MEMBERS

(Regulations 2-4 as promulgated.)

CHAPTER 3

APPEALS

Appeal in respect of delegated powers or functions

5. (1) Any 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 Law may within thirty days of such decision submit an appeal to the Board.
- (2) An appeal in terms of subregulation (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 submitting the appeal, and
- (d) the nature of the interest of the person submitting 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 Law shall, with the necessary changes, apply to an enquiry referred to in subregulation (3).

(5) After considering the appeal and, if applicable, the finding of any enquiry in connection therewith, the Board may —

- (a) endorse the decision;
- (b) revoke the decision, or
- (c) make such a decision as it deems appropriate in the circumstances,

whereafter the Board shall, in writing, inform both parties involved of its decision.

CHAPTER 4

LICENSING

General

6. (1) Any licence, permit, registration, finding of suitability, authorisation or approval granted by the Board shall be deemed to be revocable contingent upon the continuous suitability of the person to whom such licence, permit, registration, finding of suitability, authorisation or approval relates and compliance with the provisions of the Law.
- (2) The Board may at any time call for such information as it deems necessary to satisfy itself of such continuous suitability and compliance.
- (3) If any person applies for a licence, permit, registration, finding of suitability, authorisation or approval in seeking the granting of such a privilege, the burden of proving his or her qualification to receive any licence, permit, registration, finding of suitability, authorisation or approval shall at all times be upon the applicant.

Application and information

7. (1) An application for a licence, permit, registration, finding of suitability, authorisation or approval in terms of the Law shall be submitted in the form determined by the Board and shall contain and be accompanied by such documents and information as may be specified or required by the Board.
- (2) If any person by a positive act or by failure to furnish full and correct information makes a false or misleading statement or furnishes false or misleading information in or in respect of any application submitted to the Board, it shall be sufficient reason for refusing such application.
- (3) All information required to be included in or to accompany an application shall be true and complete on the date of final consideration thereof by the Board.
- (4) An application or any document or information accompanying or supplementing such application may, with the approval of or upon a request by the Board be amended in any respect at any time prior to the final consideration by the Board.
- (5) The date of receipt of an application by the Board or, where the application is in any respect amended or supplemented, the date of the last amendment of an application or of a document or information accompanying or supplementing such application shall be deemed to be the date of submission of such application.
- (6) 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.

Advertising of application

8. Upon receipt of a valid application for the grant of a licence specified in section 32(2) of the Law, the Chief Executive Officer shall publish for comment or objection in the *Provincial Gazette* and such other printed media as 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 with a five per cent or more shareholding or interest in the applicant;
 - (c) the type of licence applied for;
 - (d) the address and the site from which the applicant intends to operate;
 - (e) the address where comments on or objections to the application may be lodged, and
 - (f) the closing date for the submission of such comments or objections to the Board, which date shall not be less than twenty-one days from the date of such publication.

Transmission of information to interested parties

9. (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 a copy of the advertisement in terms of regulation 8 and such information pertaining to the application as 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 advertisement and information referred to in subregulation (1) shall be transmitted also 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 subregulations (1) and (2) which in his or her opinion is confidential or irrelevant for purposes of comment.
- (4) All applications shall, subject to subregulation 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 Law.

Objections and comment

10. (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 the Board may determine and shall specify in writing —
- (a) the application to which the objection relates;
 - (b) in the case of an objection, the grounds upon 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 or any adverse comment on an application, the Board shall submit such objection or adverse comment to the applicant, who may reply thereto in writing within twenty-one days after receipt thereof or within such further period as the Board may determine.

Withdrawal of application

11. (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 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(6) of the Law.
- (3) The Board may grant a request in terms of subregulation (1) —
- (a) unconditionally, or
 - (b) if in the opinion of the Board the reasons for the requests are not satisfactory or *bona fide*, subject to the provisions of section 32(6) of the Law.

Opportunity to rectify disqualifying circumstances

12. An applicant who is subject to any disqualification in terms of the Law may in the sole discretion of the Board, prior to disqualification, be granted a reasonable period as determined by the Board to rectify such disqualifying circumstances.

Disqualified person not to profit

13. Any person who is the direct or effective cause of any disqualifying circumstances of an applicant shall not accept more for his or her interest in the applicant than such person paid for it, or such greater amount approved by the Board, which amount shall not exceed the market value of such interest.

CHAPTER 5**LICENSED EMPLOYEES****Key employees**

14. In addition to the employees who are deemed to be key employees in terms of section 56 of the Law, a person in the following or substantially similar position shall be regarded as a key employee for the purposes of the Law:
- (a) any person who individually or as part of a group formulates management policy;
 - (b) any person who has the authority to grant credit or complimentary services or tokens;
 - (c) any person who is authorised to be involved in the resolution or handling of patron disputes;

- (d) any person who has the authority to appoint or terminate the appointment of supervisory personnel licensed in terms of the Law;
- (e) any person who has the authority to supervise or direct a shift of any gambling or security activity, including, but not limited to, the supervision or direction of the entire pit operation, gambling machines or other gambling operation, and any person having authority to supervise or direct such first-mentioned person;
- (f) any person having authority or the responsibility to manage one or more of the following departments or functions of a gambling operation, including, but not limited to —
 - (i) accounting;
 - (ii) credit and collections;
 - (iii) the cage department;
 - (iv) personnel;
 - (v) internal audit;
 - (vi) security, and
 - (vii) surveillance;
- (g) any person acting as a shill or a proposition player, and
- (h) any person who has been specifically presented to the Board by a licence holder, officer or director thereof as being important or necessary for the operation of the business of the licence holder.

Temporary employee licence

15. (1) If an application for a key employee or gambling employee licence has been made or the Board has identified an employee of a licence holder to be a key employee or gambling employee and requested such person to apply for such 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 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 such application.
- (2) The issuing by the Board of a temporary licence in terms of subregulation (1) shall not found any expectation of or the grant of a licence in terms of section 56 or 57 of the Law.
- (3) If the application by the holder of a temporary licence is denied by the Board, the licence holder by whom such person is employed shall upon receipt 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 subregulation (3) shall be a condition of employment.

Proof of licensing on employment record

16. 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 Law on the employee's employment record.

Suspension or revocation of licence

17. (1) If the licence of an employee who is licensed in terms of section 56 or 57 of the Law —
- (a) is revoked by the Board, the licence holder by whom such a person is employed 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 by whom such a person is employed 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 subregulation (1) shall be a condition of employment.

CHAPTER 6

FINDING OF SUITABILITY

Finding of suitability

18. (1) The Board may require any person referred to in sections 58 and 59 of the Law to show to the satisfaction of the Board that he or she is suitable to acquire an interest in the business of, or to enter into any contract with a licence holder or an applicant for a licence.
- (2) The Board shall, in writing, notify a person required to be found suitable in terms of subregulation (1) of the requirements of this chapter and that person shall within twenty-one days of receipt of such notice or such longer period as the Board may determine, submit to the Board an application for a finding of suitability.

- (3) The Board shall, after concluding its investigation in terms of this regulation, find a person in question —
- (a) suitable, or
 - (b) unsuitable,
- and shall by written notice inform such person and any licence holder or applicant who is directly or indirectly associated with such person of its decision.
- (4) Where a person is found unsuitable under subregulation (3), the Board may require the applicant or licence holder to terminate its association with such person within a period determined by the Board.
- (5) Where a person is found suitable under subregulation (3), the Board shall issue to such person a certificate of suitability.
- (6) The Board shall inform the licence holder in question of any finding in terms of subregulation (3)(b).
- (7) As from the date on which the Board serves notice upon the licence holder of a finding in terms of subregulation (3)(b), the person concerned shall not, directly or indirectly, exercise any voting right conferred by the holding of the interest in question.
- (8) A finding of suitability or unsuitability shall be valid for twelve months.
- (9) The provisions of sections 28 and 29 of the Law shall, with the necessary changes, apply to the consideration of a finding of suitability.

Financial interest in holder of certificate of suitability

19. The holder of a certificate of suitability shall not without the consent of the Board permit any other person to procure a financial interest of five per cent or more, or such lower percentage as the Board may determine, in its business.

Termination of association

20. (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 stipulated by the Board, terminate any agreement or association between the licence holder or applicant and such person or party.
- (2) Failure to include the provisions of subregulation (1) in an agreement is not 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 subregulation (1) shall be guilty of an offence.

CHAPTER 7

PROCUREMENT OF FINANCIAL INTEREST IN THE HOLDER OF A LICENCE

Notice of procurement

21. (1) Any licence holder who becomes aware of a procurement by any person of an interest contemplated in section 58 of the Law in the business to which his or her licence relates, shall within fourteen days of becoming aware of such procurement, notify the Board in writing of the name and address of the person who procured such an interest and shall furnish the Board with such further information as the Board may require.
- (2) Any person who, directly or indirectly, procures an interest contemplated in section 58 of the Law in the business of a licence holder shall, within fourteen days of the procurement of such an interest, notify the Board in writing of such procurement, furnishing his or her name and address.

Principals to be disclosed

22. No person may hold or acquire any interest in the business of a licence holder as agent or nominee for an undisclosed principal or beneficial owner.

CHAPTER 8

APPROVAL OF GAMBLING RELATED CONTRACTS

Gambling related contracts

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

Submission of gambling related contracts

24. (1) Every licence holder or applicant for a licence shall, before entering into a gambling related contract, submit the proposed gambling related contract or amended contract to the Board for approval.
- (2) The Board shall in its evaluation of a contract or amendment thereto consider the suitability of the contractor with whom the licence holder or applicant entered into or intends to enter into a contract.
- (3) The Board may at any time review a contract approved by it in terms of subregulation (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) Any licence holder or applicant required by the Board to terminate a gambling related contract pursuant to this regulation shall do so within a time stipulated by the Board.
- (6) Every gambling related contract shall provide for the termination of such contract in the circumstances provided for in subregulations (4) and (5).

CHAPTER 9

GAMBLING PREMISES

Gambling premises

25. (1) No gambling business shall be located —

- (a) on or in premises which, in the opinion of the Board, does not allow for proper security, supervision, surveillance, access control or policing;
 - (b) on or in premises where, in the opinion of the Board, the conduct of gambling would be inconsistent with policy determinations of the Executive Council, or
 - (c) on or in premises in respect of which a person found by the Board to be unsuitable in terms of regulation 18 has a financial interest of five per cent or more.
- (2) The provisions of regulations 18 and 24 shall, with the necessary changes, apply in relation to a lease agreement in respect of a gambling premises and to the lessor thereof.

Guarantee for completion of premises

26. (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 for the completion of the construction of the premises as the Board may require.
- (2) If the premises or any stage thereof has 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 Law.
- (3) If a licence is revoked in terms of section 42 of the Law, the guarantee referred to in subregulation (2) shall be forfeited to the Board.

CHAPTER 10

RECOVERY OF COSTS

Recovery of investigation costs for the grant or renewal of a licence

27. (1) An application for the grant or renewal of a licence shall be accompanied by the following deposit for the recovery of costs incurred in terms of section 34 of the Law:

(a) Casino operator licence	R250 000,00
(b) Limited gambling machine operator licence	R150 000,00
(c) Limited gambling machine premises licence	R 10 000,00
(d) Bingo licence	R100 000,00
(e) Junket agent licence	R 10 000,00
(f) Manufacturer licence	R 50 000,00
(g) Distributor licence	R 50 000,00
(h) Race course licence	R 50 000,00
(i) Totalisator operator licence	R150 000,00
(j) Totalisator premises licence	R 10 000,00
(k) Bookmaker licence	R 10 000,00
(l) Key employee licence	R 750,00
(m) Gambling employee licence	R 500,00

- (2) An amount paid to the Board in terms of subregulation (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 subregulation (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 Law.
- (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 any 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 of the applicant may cease.
- (7) Upon request by an applicant a statement of draws upon the deposit, payments made by the Board and the balance available shall be provided within fourteen days.
- (8) Any balance of a deposit shall be returned to the applicant within ninety days of the Board's approval or denial or withdrawal by the applicant of an application; provided that a statement reflecting all the draws upon the deposit, payments made by the Board and the balance available shall accompany the return of the balance of the deposit to the applicant.
- (9) If an applicant disputes any payments made or the need for further deposits, such 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 Law.

Recovery of costs other than for the granting or renewal of a licence

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

Recovery of costs for the reproduction of any document, form or record

29. Subject to the provisions of sections 17 and 19 of the Law, 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 such transcription or copy available to such person upon the payment of the costs of reproduction thereof.

CHAPTER 11

GAMBLING DISPUTES

Resolution of gambling disputes

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

Notification of the Board in the event of a dispute

31. (1) Whenever a licence holder refuses payment of alleged winnings to a patron or a patron refuses payment of an alleged debt to a licence holder, for any reason whatsoever, 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 he or she will refer the dispute to the Board for resolution, whereafter the licence holder shall within forty-eight hours refer the dispute to the Board.
- (2) The provisions of subregulation (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 becomes effective on the date the parties receive a written notice of the decision.

Petition for hearing by Board

32. (1) Within fourteen days after the date of receipt of a written resolution of the Board, 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 subregulation (1) bears 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 such manner as it may deem appropriate.
- (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 subregulation (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 pronouncement thereof in terms of subregulation (6), or
- (b) of the period referred to in subregulation (1).

CHAPTER 12

HEARINGS

Person presiding

- 33. (1) Subject to subregulation (2), the chairperson of the Board shall preside at a hearing of the Board in terms of the Law.
- (2) The chairperson may appoint a member or employee of the Board 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 a hearing, having regard to the circumstances of each case.

Evidence at hearing

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

Record of proceedings

- 35. (1) The proceedings and evidence at a hearing shall be recorded in such manner as the chairperson may think fit to adequately ensure the preservation of such record.
- (2) A recording of a hearing shall be transcribed at request by any party.
- (3) A copy of the records 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 subregulation (2).

Decisions and final orders

- 36. (1) The person presiding at a hearing shall render his or her final order in writing and shall simultaneously furnish the reasons for such 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 upon the serving thereof in terms of subregulation (2).

CHAPTER 13

SERVING OF NOTICES, ORDERS OR RESOLUTIONS

Serving of notices, orders or resolutions

- 37. (1) Any notice, order or resolution to be served on a person by the Board in terms of the Law or these regulations shall be in writing and shall be given by —
 - (a) personal delivery;
 - (b) leaving a copy thereof at the person's chosen domicile, place of residence, employment or business of the person concerned 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 thereof at its registered office or its principal place of business within the Province, or if there be no such employee willing to accept service, by affixing a copy to the main door of such office or place of business;
 - (d) registered mail, or
 - (e) facsimile transmission.
- (2) Any notice, order or resolution served in terms of subregulation (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

Undesirable advertising

- 38. (1) No person shall display or publish any advertisement or type of advertisement with regard to gambling —

- (a) without the Board's prior approval thereof, or
 - (b) which has been declared to be undesirable in terms of this regulation.
- (2) The Board shall not approve any advertisement or any 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 over stimulation of gambling, or
 - (e) contains a comparison between the advertisor and any other licence holder in respect of —
 - (i) the size;
 - (ii) the number of games available, or
 - (iii) the house advantage, hold, win or any like indication of the probability of winning or losing.
- (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 subregulation (1).

CHAPTER 15

LICENCE TO BE PROMINENTLY DISPLAYED

Licence to be prominently displayed

39. A licence issued in terms of the Law shall be prominently displayed in a conspicuous place or in or on the licensed premises or, where applicable, on the person of a licensed employee.

CHAPTER 16

BOOKS, ACCOUNTS AND RECORDS

General

40. (1) All books, accounts and records required to be kept by a licence holder in terms of the Law shall —

- (a) be in the format;
- (b) contain such information;
- (c) be kept in such manner as the Board may from time to time determine, and
- (d) unless otherwise indicated, be retained for a period of at least five years.

- (2) The books, accounts and records referred to in subregulation (1) shall at all times—

- (a) be kept in a safe place, and
- (b) be immediately and easily accessible.

Gambling and accounting records

41. (1) A licensed operator shall keep —

- (a) accurate, complete, legible and permanent records of all gambling transactions, including, where applicable —
 - (i) (aa) records of individual gambling games, reflecting drop, win, and the percentage of win to drop by table for every table game as well as records reflecting drop, win and the percentage of win to drop for every type of table game for every shift or other accounting period approved by the Board, and
 - (bb) individual game records reflecting similar information for all other games.
 - (ii) slot machine analysis reports which reflect the turnover and pay-out of every slot machine and compares actual hold percentages to the theoretical hold percentages on a daily, monthly, quarterly, annual and twelve month rolling basis;
 - (iii) the records required to be kept in terms of a licensed operator's approved system of internal control, and
 - (iv) any other records that the Board may require to be kept by any particular licensed operator or class of operator.
- (b) generally accepted accounting records on a double entry system of accounting, maintaining detailed, supporting subsidiary records, identifying revenue, expenses, assets, liabilities and equity and any other records that the Board may determine.

Other records**42. (1) A licensed operator shall keep on its licensed premises —****(a) in the case of a company —**

- (i) a copy of the memorandum and articles of association thereof, 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;
- (iv) minutes of all meetings of the shareholders;
- (v) minutes of all meetings of the directors and committees of the Board of directors;
- (vi) 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 which the Board may prescribe.

(b) in the case of a close corporation —

- (i) a copy of its founding statement and any amendment thereto;
- (ii) the certificate of incorporation;
- (iii) the association agreement;
- (iv) minutes of all meetings of the members of the corporation;
- (v) a register of members, indicating every member's name, address, interest expressed as a percentage and the date of admission as a member,
- (vi) a permanent register as meant in subregulation (a)(iii), and
- (vii) any other information which the Board may prescribe.

(2) A licence holder shall keep written continuous record of the acquisition of all gambling devices reflecting—

- (a) the date of acquisition;
- (b) the name, address and licence number of the person from whom the device or equipment was acquired;
- (c) a description of the device or equipment acquired;
- (d) the serial number of the device or equipment acquired, and
- (e) such further information as the Board may require.

(3) A licence holder shall keep records of the disposal of any gambling device, which records shall include —

- (a) the date and manner of disposal;
- (b) a description of and the number of devices or equipment disposed of;
- (c) where applicable, the Board's approval number;
- (d) where applicable, the serial numbers of all devices or equipment disposed of;
- (e) the name, address and licence number of the person to whom the device was supplied, and
- (f) such further information as the Board may require.

(4) A licence holder shall keep records of all repairs made to gambling devices or equipment reflecting —

- (a) the date of repair;
- (b) the name, address and licence number of the owner of the device or equipment;
- (c) a description of work carried out;
- (d) the serial number of the device or equipment repaired, and
- (e) such further information as the Board may require.

Audited financial statements

- 43. (1) A licensed operator shall at the end of each financial year of such licensed operator, 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 such 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 or such extended period as the Board may determine after the last day of the licensed operator's financial year, submit to the Board copies of its audited annual financial statements and any reports communicating the results of the audit, including any 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 subregulation (2) shall as part of its annual audit evaluate and report on the licensed operator's compliance with its approved system of internal control.
- (6) A report in terms of subregulation (5) shall be submitted to the Board with the audited financial statements.

Returns to be rendered

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

Stock records

45. A licence holder shall keep written continuous stock records reflecting —

- (a) opening stock on hand;
- (b) stock purchased/manufactured;
- (c) distributions, and
- (d) closing stock on hand,

and shall provide such records to the Board immediately upon its request.

CHAPTER 17

CREDIT EXTENSION

Credit extension

46. (1) A licence holder may extend credit to a patron; provided that prior to the extension of such credit, the licence holder shall obtain and document in a manner determined by the Board and in accordance with its approved system of internal control, sufficient information regarding the patron's identity, credit history and financial capabilities in terms of the credit being requested.
- (2) All credit extensions shall, unless the Board determines otherwise, be evidenced by a credit instrument signed by the patron receiving the credit at the time of the credit extension.
- (3) Credit instruments referred in subregulation (2) shall contain sufficient information so as to allow for collection of the debt and such other information as the Board may require following the receipt of such instrument.
- (4) Failure by a licence holder to deposit a negotiable instrument for collection by the first banking day following the receipt of such negotiable instrument shall, for the purposes of this chapter, be deemed to be an extension of credit.
- (5) A licence holder shall pursue the collection of all credit instruments in accordance with its approved system of internal control.
- (6) A licence holder's gambling debts may be settled for less than the full amount of the debt; provided that the licence holder documents in his or her records the basis for such settlements and provided further that the licence holder complies with its approved system of internal control.

CHAPTER 18

CASH TRANSACTIONS

Prohibited transactions by licence holder

47. (1) A licence holder 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 after participating in gambling for different denominations of cash.
- (2) A licence holder 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 negotiable instruments, chips or tokens unless the licence holder is satisfied that the patron has genuinely participated in gambling.

Transactions to be reported

48. (1) A licence holder shall report the following transactions:

- (a) the exchange of cash for cash or other negotiable instrument with or on behalf of a patron in any transaction in which the amount of the exchange exceeds twenty-five thousand rand;
- (b) the issuing of a cheque or other negotiable instrument to a patron, or otherwise the effecting of any transfer of funds on behalf of a patron, in exchange for cash or other negotiable instrument in any transaction in which the amount of the exchange exceeds twenty-five thousand rand;

- (c) the redemption of chips or tokens worth more than twenty-five thousand rand from a patron for cash or other negotiable instrument in any transaction;
 - (d) the selling or otherwise issuing in any transaction of more than twenty-five thousand rand worth of chips or tokens to a patron for cash or other negotiable instrument;
 - (e) the receiving of more than twenty-five thousand rand in cash or other negotiable instrument from a patron in any transaction as a deposit for gambling;
 - (f) the receiving of more than twenty-five thousand rand in cash or other negotiable instrument from a patron in any transaction as a payment of credit previously extended;
 - (g) the accepting of more than twenty-five thousand rand in cash or other negotiable instrument as a wager at any gambling game at which chips are not customarily used for wagering, or
 - (h) the receiving from or disbursing to a patron of more than twenty-five thousand rand in cash or other negotiable instrument in any transaction not covered specifically by paragraphs (a) to (g).
- (2) A licence holder shall not knowingly allow and shall take all reasonable steps to prevent the circumvention of any of the provisions of this chapter by multiple transactions in a twenty-four hour period with a patron or a patron's agent or accomplice.
- (3) For reporting purposes a licence holder shall aggregate all cash transactions within a twenty-four hour period between the licence holder and a patron or a person who the licence holder knows or should have known is the patron's agent or accomplice.
- (4) A licence holder shall in its system of internal control include procedures to comply with the provisions of this chapter.

Transaction reports

49. (1) A licence holder shall, before completing a transaction referred to in regulation 48 —
- (a) obtain or reasonably attempt to 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 such manner and using such forms as the Board may require or approve —
 - (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;
 - (vii) the name and signature of the person handling the transaction and recording the information on behalf of the licence holder, and
 - (d) such other information as the Board may from time to time determine.

CHAPTER 19

STAKES, PRIZES AND RETURN TO PATRONS

Maximum stake

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

Maximum prizes

51. The Board may, in terms 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 terms of a game on a limited gambling machine shall not exceed five hundred rand.

Prizes to be displayed

52. Where possible, all winning combinations, together with the corresponding prizes shall be clearly displayed or easily accessible to a patron.

Return to patrons

53. (1) A gambling game shall have a theoretical and demonstrable return of not less than —
- (a) 85 per cent, in the event of a slot machine other than a limited gambling machine;
 - (b) 80 per cent, in the event of a table game;

(c) 80 per cent, in the event of a limited gambling machine, and

(d) 65 per cent, in the event of bingo,

to the patrons.

(2) A bet on a totalisator shall have a theoretical and demonstrable return of not less than 75 per cent to the patrons.

CHAPTER 20

AMUSEMENT GAMES

Amusement games

54. (1) For the purpose of this Law, the playing of an amusement game shall not constitute an offense.

(2) An amusement game referred to in subregulation (1) means any game, other than bingo or a gambling game normally played in a casino or on a slot machine, played with or by means of an amusement machine which, upon the payment of money, a token or a similar object is available to be played and whereby the player is able to win a prize; provided that such prize is not in the form of cash, tokens, credit or any other value instrument, but are limited to non-cash prizes with a retail value not exceeding twenty-five rand.

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