

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

WESTERN CAPE GAMBLING AND RACING REGULATIONS

ARRANGEMENT OF REGULATIONS

[Arrangements of Regulations inserted by para 1 of Provincial Notice 303/1997 dd 29 August 1997]

CHAPTER 1

- 1. Definitions**

CHAPTER 2

APPOINTMENT OF BOARD MEMBERS

- 2. Composition of Board [Repealed]**
- 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. Opportunity to rectify disqualifying circumstances**
- 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. Notice of procurement**
- 22. Principals to be disclosed**

CHAPTER 8

APPROVAL OF GAMBLING-RELATED CONTRACTS

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

CHAPTER 9

GAMBLING ESTABLISHMENTS

- 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

[Chapter 16 substituted by Provincial Notice 363/2000 dd 16 August 2000]

BOOKS, ACCOUNTS AND RECORDS

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

CHAPTER 17

[Chapter 17 substituted by Provincial Notice 363/2000 dd 16 August 2000]

CREDIT EXTENSION

- 45. Credit extension**

CHAPTER 18

[Chapter 18 substituted by Provincial Notice 363/2000 dd 16 August 2000]

CASH TRANSACTIONS

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

CHAPTER 19

[Chapter 19 substituted by Provincial Notice 363/2000 dd 16 August 2000]

STAKES, PRIZES AND RETURNS TO PATRONS

- 49. Maximum stakes**
- 50. Maximum prizes**
- 51. Prizes to be displayed**
- 52. Return to patrons**

CHAPTER 20

[Chapter 20 substituted by Provincial Notice 363/2000 dd 16 August 2000]

AMUSEMENT GAMES

- 53. Amusement games**

CHAPTER 21

[Chapter 21 inserted by para 1 of Provincial Notice 331/1998 dd 19 June 1998 and substituted by Provincial Notice 363/2000 dd 16 August 2000]

REGISTRATION AND MAINTENANCE OF GAMBLING DEVICES

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

CHAPTER 22

[Chapter 22 inserted by para 1 of Provincial Notice 331/1998 dd 19 June 1998 and substituted by Provincial Notice 363/2000 dd 16 August 2000]

CHIPS AND TOKENS

- 57. Redemption and disposal of discontinued chips or tokens**
- 58. Destruction of counterfeit chips or tokens and disposal of coins**
- 59. Other value instruments**
- 60. Applicability of Chapter to holder of limited gambling machine operator licence**

CHAPTER 23

[Chapter 23 inserted by para 1 of Provincial Notice 331/1998 dd 19 June 1998 and substituted by Provincial Notice 363/2000 dd 16 August 2000]

PROGRESSIVE CASINO GAMES

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

CHAPTER 24

[Chapter 24 inserted by para 1 of Provincial Notice 331/1998 dd 19 June 1998 and substituted by Provincial Notice 363/2000 dd 16 August 2000]

MINIMUM CASINO BANKROLL REQUIREMENT

63. Minimum casino bankroll requirement

CHAPTER 25

[Chapter 25 inserted by para 1 of Provincial Notice 331/1998 dd 19 June 1998 and substituted by Provincial Notice 363/2000 dd 16 August 2000]

MANUFACTURERS AND DISTRIBUTORS

64. Approval of devices and games

65. Alterations and modifications prohibited

66. Summary suspension of approval

CHAPTER 26

[Chapter 26 inserted by para 1 of Provincial Notice 331/1998 dd 19 June 1998 and substituted by Provincial Notice 363/2000 dd 16 August 2000]

OFFENCES AND PENALTIES

67. Offences and penalties

CHAPTER 27

[Chapter 27 inserted by para 1 of Provincial Notice 331/1998 dd 19 June 1998 and substituted by Provincial Notice 363/2000 dd 16 August 2000]

PAYMENT OF TAXES

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

[Regulations 71 – 74 inclusive inserted by paragraph (b) of Provincial Notice 358/2002 dd 8 November 2002 w e f 2 December 2002]

CHAPTER 1

[Chapter 1 substituted by para 2 of Provincial Notice 303/1997 dd 29 August 1997 and para 2 of Provincial Notice 331/1998 dd 29 August 1997]]

Definitions

1. 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), shall have the meaning so assigned 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 customarily used and accepted as money;
 - (3) ‘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;
 - (4) ‘Director-General’ means the Director-General of the province of Western Cape or any person designated in writing by him or her;
 - (5) ‘employee’ means a key employee or a gambling employee referred to in sections 56 and 57 of the Act;
 - (6) ‘gambling-related contract’ means a contract referred to in section 59 of the Act;
 - (7) ‘game board’ means a processor board on which a game EPROM is installed;
 - (8) ‘game EPROM’ means any Erasable Programmable Read Only Memory or Programmable Read Only Memory or other computer program storage medium which is –
 - (a) designed to be, or capable of being, installed on a processor board, and
 - (b) programmed with programming for a game;
 - (9) ‘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;
 - (10) ‘Act’ means the Western Cape Gambling and Racing Act, 1996 (Act 4 of 1996), as amended;
 - (11) ‘processor board’ means an electronic circuit board which is designed to be, or is capable of being, used in a slot machine;
 - (12) ‘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;

- (13) '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;
- (14) '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
- (15) 'token' means a token redeemable for a specified cash amount and issued or sold by a licence holder to patrons for use when gambling.

CHAPTER 2

APPOINTMENT OF BOARD MEMBERS

Composition of Board

- 2. [Repealed by Provincial Notice 440/1996 dated 11 October 1996]

Nomination of candidates

- 3. (1) The Director-General 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 Director-General within fourteen days of the date of publication of the notice referred to in subregulation (1).
[Proviso to subreg 3(2) deleted by Provincial Notice 440/1996 dd 11 October 1996]
- (3) The Director-General shall only upon receipt of a valid nomination referred to in subregulation (2) place at the disposal of each nominee for completion an application form which shall be substantially in the form prescribed in Schedule I, which completed application shall be returned to the Director-General within twenty-one days from the date on which it was thus placed at the disposal.
[Subreg 3(3) substituted by para 2(b) of Provincial Notice 440/1996 dd 11 October 1996]

- (4) An application referred to in subregulation (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 stating that he or she in all respects complies with the provisions of section 4 of the Act in order to be eligible for appointment as a member of the Board.
- (5) Failure to complete the application form referred to in subregulation (3) properly and in full, or to submit the declaration and statement, referred to in subregulation (4), shall render an application invalid.
 [Subreg 3(5) inserted by para 2(c) of Provincial Notice 440/1996 dd 11 October 1996]
- (6) After expiry of the period prescribed in subregulation (3) for the return of applications, the Director-General 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 Director-General for a period of fourteen days from the date of publication of such notice.
 [Subreg 3(6)(b) substituted by para 2(d) of Provincial Notice 440/1996 dd 11 October 1996]
- (7) A nomination referred to in subregulation (2), an application referred to in subregulation (3) and any comment contemplated in subregulation (6) shall, in order to be valid, be received in the office of the Director-General by not later than 16:00 on the last applicable day.”
 [Subreg 3(7) added by para 2(e) of Provincial Notice 440/1996 dd 11 October 1996]

Procedure for appointment

- 4. (1) The Director-General 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 Director-General may request such additional information or documentation regarding an applicant’s personal and financial affairs as he may deem necessary to evaluate an application.
 [Subreg 4(1) inserted by para 1(a) of Provincial Notice 50/1998 dd 23 January 1998]

- (2) The short list referred to in subregulation (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 from receiving the documentation referred to in subregulation (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.
[Subreg 4(3) inserted by para 1(b) of Provincial Notice 50/1998 dd 23 January 1998]
- (4) The Director-General shall, upon receipt of a resolution of the Executive Council concerning the successful candidates, inform all the applicants of the outcome.

CHAPTER 3

[Chapter 3 inserted by para 3 of Provincial Notice 303/1997 dd 29 August 1997]

APPEALS

Appeal in respect of delegated powers or functions

- 5. (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, may within thirty days of such decision, lodge an appeal with 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 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 subregulation (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

[Chapter 4 inserted by para 3 of Provincial Notice 303/1997 dd 29 August 1997]

LICENSING

General

6. (1) Any licence, permit, finding of suitability, registration, authorisation or approval granted by the Board shall be deemed to be revocable, depending on whether or not the 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 are continuous.
- (2) The Board may at any time call for information it deems necessary to satisfy itself of such continuous suitability and compliance.
- (3) If a person applies for a licence, a permit, or a finding of suitability or for registration, authorisation or approval, the burden of proving that he or she qualifies to be granted that licence, permit, finding of suitability registration, authorisation or approval shall at all times be on the applicant.

Application and information

7. (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 makes a false or misleading statement or furnishes false or misleading information or 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) All information required to be included in or to accompany an application shall be full and accurate on the date when the application is finally considered by the Board.
- (4) An application or any document or information accompanying or supplementing the application may, with the approval or at the request of the Board, be amended in any way at any time before the application is finally considered by the Board.
- (5) The date of receipt of an application by the Board or, where the application has been amended or supplemented in any way, the date of the last amendment of an application or of a document or information accompanying or supplementing the application shall be deemed to be the date of submission of the 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 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 where the applications may be inspected and where the comments or objections should be delivered or mailed to.

Transmission of information to interested parties and public inspection

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 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 advertisement and information referred to in subregulation (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 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 Act.

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 a further period 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 a further period determined by the Board.

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 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.
[Subreg 11(1)(b) amended by para 2 of Provincial Notice 363/2000 dd 16 August 2000]
- (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 request are not satisfactory or in good faith, subject to the provisions of section 32(5) of the Act.

Opportunity to rectify disqualifying circumstances

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

Disqualified person not to profit

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

CHAPTER 5

[Chapter 5 inserted by para 3 of Provincial Notice 303/1997 dd 29 August 1997]

LICENSED EMPLOYEES

Key employees

14. 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;
 - (b) any person who has authority to grant credit or complimentary services or tokens;
 - (c) any person who has authority to be involved in the resolution or handling of patron disputes;
 - (d) any person 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 departments or functions of a gambling operation, including, without being limited to –

- (i) accounting;
 - (ii) credit and collections;
 - (iii) the cage department;
 - (iv) staff;
 - (v) internal audit;
 - (vi) security, and
 - (vii) surveillance;
- (fA) any person who has the authority in any manner to alter the functionality of, or any data captured by, any gambling-related computer software;
 [Subreg 14(fA) inserted by para 3 of Provincial Notice 363/2000 dd 16 August 2000]
- (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 or an officer or a director of the licence holder 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 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) The issuing by the Board of a temporary licence in terms of subregulation (1) shall not found any expectation or the grant of a licence in terms of section 56 or 57 of the Act.
- (3) If the application for a licence in terms of 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 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

- 15.** 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 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 Act –
- (a) is revoked by the Board, the licence holder who 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 who 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 subregulation (1) shall be a condition of employment.

CHAPTER 6

[Chapter 6 inserted by para 3 of Provincial Notice 303/1997 dd 29 August 1997]

FINDING OF SUITABILITY

- 18.** (1) The Board may require any person referred to in sections 58 and 59 of the Act to prove to the satisfaction of the Board that he or she is suitable to procure an interest in the business of, or to enter into a contract with, a licence holder or an applicant for a licence.

- (2) The Board shall notify a person required to be found suitable in terms of subregulation (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 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 subregulation (3), the Board may 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 subregulation (3), 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 subregulation (3).
- (7) As from the date on which the Board serves notice upon the licence holder or applicant 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, after which the provisions of subregulation (1) shall again apply with the necessary changes.
- (9) The provisions of sections 28 and 29 of the Act shall, with the necessary changes, apply when a person's suitability has to be considered.

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 a lower percentage determined by the Board, in his or her or 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 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 subregulation (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 subregulation (1) shall be guilty of an offence.

CHAPTER 7

[Chapter 7 inserted by para 3 of Provincial Notice 303/1997 dd 29 August 1997]

PROCUREMENT OF FINANCIAL INTEREST IN LICENCE HOLDER

Notice of procurement

- 21. (1)** A licence holder who becomes aware of the procurement by any person of an interest contemplated in section 58 of the Act in the business to which his or her or its 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 any further information required by the Board.
- (2) A person who, directly or indirectly, procures an interest contemplated in section 58 of the Act in the business of a licence holder shall, within fourteen days of the procurement of such an interest, notify the Board in writing of that procurement, furnishing his or her name and address.

Principals to be disclosed

22. No person shall, without the prior written consent of the Board, hold or procure an interest of five per cent or more in the business of a licence holder as an agent or a nominee of an undisclosed principal or beneficial owner.

CHAPTER 8

[Chapter 8 inserted by para 3 of Provincial Notice 303/1997 dd 29 August 1997]

APPROVAL OF GAMBLING-RELATED CONTRACTS

Gambling-related contracts

23. 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.

Submission of gambling-related contracts

24. (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.
[Subreg 24(1) amended by para 4(a) of Provincial Notice 363/2000 dd 16 August 2000]
- (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.
[Subreg 24(2) substituted by para 4(b) of Provincial Notice 363/2000 dd 16 August 2000]
- (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) 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 subregulations (4) and (5).

CHAPTER 9

[Chapter 9 inserted by para 3 of Provincial Notice 303/1997 dd 29 August 1997]

GAMBLING ESTABLISHMENTS

Gambling Establishments

- 25.** (1) No gambling establishment shall be located –
- (a) in or on premises which, in the opinion of the Board, do not allow of proper security, supervision, surveillance, access control or policing;
 - (b) in or on premises where, in the opinion of the Board, the conduct of gambling would be inconsistent with policy determinations of the Executive Council, or
 - (c) in or on premises in 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 to a lease agreement in respect of a gambling establishment and the lessor of the gambling establishment.

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 any guarantee of completion of the premises required by the Board.
- (2) If the premises or any stages 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 terms of section 42 of the Act, the guarantee referred to in subregulation (1) shall be forfeited to the Board.

CHAPTER 10

[Chapter 10 inserted by para 3 of Provincial Notice 303/1997 dd 29 August 1997]

RECOVERY OF COSTS

Recovery of investigation costs for grant or renewal of licence

27. (1) 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:

(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
(dA)	Bingo premises licence	R 10 000,00
(e)	Junket agent licence	R 10 000,00
(f)	Manufacturer licence	R 50 000,00
(g)	Distributor licence	R 50 000,00
(h)	...	
(i)	Totalisator operator licence	R150 000,00
(j)	Totalisator premises licence	R 10 000,00
(k)	Bookmaker licence	R 10 000,00
(kA)	Bookmaker premises licence	R 10 000,00
(l)	Key employee licence	R 750,00
(m)	Gambling employee licence	R 500,00

[Subreg 27(1) amended by para 5 of Provincial Notice 363/2000 dd 16 August 2000 and para 1 of Provincial Notice 24/2001 dd 2 February 2001]

- (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 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.
- (8) Any balance of a deposit shall be returned to the applicant within ninety days of the Board's approval or refusal or the applicant's withdrawal 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 balance of the deposit when it is returned to the applicant.
- (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.
[Subreg 27(11) added by Provincial Notice 285/1998 dd 29 May 1998]
- (12) An applicant, as defined in subregulation (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 subregulation (1), in respect of:
 - (a) the licence applied for as contemplated by subregulation (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 subregulation (11), except as otherwise provided for by Act, but shall apply only to the person in respect of whom they are found to exist.

[Subreg 27(12)(a) and (b) added by Provincial Notice 285/1998 dd 29 May 1998]

- (13) Whenever an applicant makes application for and on behalf of any number of persons in the manner contemplated in subregulation (12), the provisions of subregulations (2) to (10) inclusive shall apply; provided that all individual deposits payable in terms of subregulation (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.”.

[Subreg 27(13) added by Provincial Notice 285/1998 dd 29 May 1998]

Recovery of costs other than for granting or renewal of licence

- 28. (1) The Board shall, 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 subregulation (1) shall, within thirty days of receipt of a statement referred to in subregulation (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.

Recovery of costs for reproduction of document, form or record

- 29.** Subject to the provisions of sections 17 and 19 of the Act, 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

[Chapter 11 inserted by para 3 of Provincial Notice 303/1997 dd 29 August 1997]

PATRON DISPUTES

Resolution of patron disputes

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

Notification of Board in event of dispute

- 31.**
- (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 he or she will refer the dispute to the Board for resolution, after which 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 shall become effective on the date when the parties receive a written notice of the resolution.

Petition for hearing by Board

- 32.** (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 subregulation (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 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 subregulation (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 having been pronounced in terms of subregulation (6), or
 - (b) of the period referred to in subregulation (1).

CHAPTER 12

[Chapter 12 inserted by para 3 of Provincial Notice 303/1997 dd 29 August 1997]

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 Act.

- (2) The chairperson may appoint a member or an 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 the hearing, having regard to the circumstances of each case.

Evidence at hearing

- 34.**
- (1) The rules of evidence applicable in a court of Act 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 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 the manner deemed fit by the chairperson to ensure the preservation of the record.
 - (2) A recording of a hearing shall 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 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 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 subregulation (2)

CHAPTER 13

[Chapter 13 inserted by para 3 of Provincial Notice 303/1997 dd 29 August 1997]

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 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 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

[Chapter 14 inserted by para 3 of Provincial Notice 303/1997 dd 29 August 1997]

ADVERTISING

Undesirable advertising

- 38.** (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 over-stimulation of gambling, or
 - (e) contains a comparison between the advertiser 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 (2).

CHAPTER 15

[Chapter 15 inserted by para 3 of Provincial Notice 303/1997 dd 29 August 1997]

LICENCE TO BE DISPLAYED

Licence to be prominently displayed

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

CHAPTER 16

[Chapter 16 inserted by para 3 of Provincial Notice 303/1997 dd 29 August 1997]

BOOKS, ACCOUNTS AND RECORDS

General

- 40.** (1) All books, accounts and records required to be kept by a licence holder in terms of the Act shall –
- (a) (i) be in the format;
 - (ii) contain the information, and
 - (iii) be kept in the manner
- approved by the Board, and
- [Subreg 40(1)(a) amended by para 6 of Provincial Notice 363/2000 dd 16 August 2000]
- (b) 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.** A licensed operator shall keep –
- (a) accurate, complete, legible and permanent records of all gambling transactions, and
 - (b) generally accepted accounting records on a double entry system of accounting, which maintains detailed subsidiary records and identifies revenue, expenses, assets, liabilities and equity, and any other records that the Board may determine.

Other records

- 42.** (1) A licence holder shall keep –
- (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 prescribed by the Board, and
- (b) in the case of a close corporation –
- (i) a copy of its founding statement and any amendment of that statement;
 - (ii) the association agreement;
 - (iii) minutes of all meetings of the members of the corporation;
 - (iv) a register of members, indicating every member's name, address, 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).

Audited financial statements

- 43.** (1) A licensed operator shall at the end of its financial years 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, or any extended period approved by the Board, 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 management letters.
[Subreg 43(3) amended by para 8 of Provincial Notice 363/2000 dd 16 August 2000]
- (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 the annual audit, evaluate and report on the licensed operator's compliance with its system of internal control as approved by the Board.
- (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 the returns the Board may from time to time determine in the manner and format determined by the Board.

CHAPTER 17

[Chapter 17 inserted by para 3 of Provincial Notice 303/1997 dd 29 August 1997]

CREDIT EXTENSION

Credit extension

- 45. (1) A licensed casino operator or bookmaker may extend credit to a patron; provided that prior to the extension of such credit, the licensed casino operator or bookmaker shall obtain and record, 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 at the time of credit extension by the patron who receives the credit.
- (3) A credit instrument referred to in subregulation (2) shall contain sufficient information to allow of 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 of the negotiable instrument 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 or bookmaker may be settled for less than the full amount of the debt; provided that the licensed casino operator or bookmaker shall record in its records the basis for such settlements; provided further that the licensed casino operator or bookmaker shall comply with its approved system of internal control.

[Regulation 45 renumbered by para 9 of Provincial Notice 363/2000 dd 16 August 2000]

CHAPTER 18

[Chapter 18 inserted by para 3 of Provincial Notice 303/1997 dd 29 August 1997]

CASH TRANSACTIONS

Prohibited transactions by licensed operator

- 46.** (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 for 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 participated in gambling.

[Regulation 46 renumbered by para 9 of Provincial Notice 363/2000 dd 16 August 2000]

Transactions to be reported

- 47.** (1) A licensed operator shall 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 issuing of a cheque or some 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 a negotiable instrument in any transaction where the amount of the exchange exceeds twenty-five thousand rand;
 - (c) the redemption, in any transaction, of a patron's chips or tokens worth more than twenty-five thousand rand for cash or a negotiable instrument;
 - (d) the selling or issuing in any transaction of more than twenty-five thousand rand's worth of chips or tokens to a patron for cash or a negotiable instrument;
 - (e) the receipt, in any transaction, of more than twenty-five thousand rand in cash or a negotiable instrument from a patron as a deposit for gambling;
 - (f) the receipt, in any transaction, of more than twenty-five thousand rand in cash or a negotiable instrument from a patron in payment of credit previously extended;
 - (g) the acceptance of more than twenty-five thousand rand in cash or a negotiable instrument 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 more than twenty-five thousand rand in cash or in the form of a negotiable instrument 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 multiple transactions in a twenty-four hour period with a patron or a patron's agent or accomplice.

- (3) For reporting purposes a licensed operator shall aggregate all cash transactions within a twenty-four hour period between the licensed operator and a patron or a person who the licensed operator knows or should have known to be 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.
[Regulation 47 renumbered by para 9 of Provincial Notice 363/2000 dd 16 August 2000]

Transaction reports

- 48.** (1) A licensed operator 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 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 and signature of the person handling the transaction and recording the information on behalf of the licence holder, and
 - (d) any other information determined by the Board from time to time.

- (2) A licensed operator shall submit to the Board copies of the records contemplated in subregulation (1)(c), within fourteen days after the end of the month to which the records relate.

[Regulation 48 renumbered by para 9 of Provincial Notice 363/2000 dd 16 August 2000]

CHAPTER 19

[Chapter 19 inserted by para 3 of Provincial Notice 303/1997 dd 29 August 1997]

STAKES, PRIZES AND RETURN TO PATRONS

Maximum stakes

49. 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 gambling machine shall not exceed five rand.

[Regulation 49 renumbered by para 9 of Provincial Notice 363/2000 dd 16 August 2000]

Maximum prizes

50. 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 gambling machine shall not exceed five hundred rand.

[Regulation 50 renumbered by para 9 of Provincial Notice 363/2000 dd 16 August 2000]

Prizes to be displayed

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

[Regulation 51 renumbered by para 9 of Provincial Notice 363/2000 dd 16 August 2000]

Return to patrons

52. (1) A gambling game shall render a theoretical and demonstrable return to patrons of not less than –
- (a) 85 per cent in the case of a slot machine other than a limited gambling machine;

- (b) 80 per cent in the case of a table game;
 - (c) 80 per cent in the case of a limited gambling machine, and
 - (d) 65 per cent in the case of bingo.
- (2) A bet on a totalisator shall render a theoretical and demonstrable return of not less than 75 per cent to patrons.
- [Regulation 52 renumbered by para 9 of Provincial Notice 363/2000 dd 16 August 2000]

CHAPTER 20

[Chapter 20 inserted by para 3 of Provincial Notice 303/1997 dd 29 August 1997]

AMUSEMENT GAMES

Amusement games

- 53.** (1) For the purposes of the Act, the playing of an amusement game shall not constitute gambling.
- (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 payment of money, a token or a similar object, is available to be played and which enables the player to win a prize; provided that such prize shall not be in the form of cash, tokens, credit or any negotiable instrument, but shall be limited to non-cash prizes with a retail value not exceeding twenty-five rand.”.
- [Regulation 53 renumbered by para 9 of Provincial Notice 363/2000 dd 16 August 2000]

CHAPTER 21

[Chapter 21 inserted by para 4 of Provincial Notice 331/1998 dd 19 June 1998]

REGISTRATION AND MAINTENANCE OF GAMBLING DEVICES

Gambling and related devices to be registered

[Reg 54 amended by para 10 of Provincial Notice 363/2000 dd 16 August 2000]

- 54.** 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.

Maintenance of registered gambling and related devices

[Regulation 55 amended by para 11 of Provincial Notice 363/2000 dd 16 August 2000]

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

Records to be kept by licence holder

- 56.** 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.
[Regulation 56 amended by para 12 of Provincial Notice 363/2000 dd 16 August 2000]

CHAPTER 22

[Chapter 22 inserted by para 4 of Provincial Notice 331/1998 dd 19 June 1998]

CHIPS AND TOKENS

Redemption and disposal of discontinued chips or tokens

- 57.** (1) Any holder of an operator licence which permanently removes from use or circulation or replaces approved chips or tokens at its gambling establishment, or which ceases operating its gambling establishment, whether due to closure, sale of the establishment or for any other reason, shall prepare 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 subregulation (1) to the Board not less than thirty days before the proposed removal, replacement, closure or sale, unless the closure or other 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 reasonable modifications thereto as a condition of approval.
- (4) Upon notification of approval of the proposal referred to in subregulation (1), the licence holder shall implement the proposal as approved.
- (5) In addition to such other reasonable 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, closure or sale, 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 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 one such newspaper in the Province at least twice during each week of the period allocated in respect of redemption, subject to the Board's approval of the form and content of the notice, the newspapers selected for publication and the days upon which publication is to be effected;
- (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.

[Regulation 57 amended by para 17 of Provincial Notice 363/2000 dd 16 August 2000]

Destruction of counterfeit chips or tokens and disposal of coins

- 58.** (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) A licence holder shall record, in addition to such other information as the Board may require –
- (a) the number and denominations, actual and purported, of such coins and counterfeit chips or tokens destroyed or otherwise disposed of in terms of this Chapter;
 - (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 the persons carrying out the destruction or other disposition in terms of this regulation on behalf of the licence holder.

[Regulation 58 amended by para 17 of Provincial Notice 363/2000 dd 16 August 2000]

Other value instruments

59. Other value instruments with which gambling is conducted 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, in its discretion, may deny approval of other value instruments, other than chips or tokens, or may grant approval subject to such conditions as it considers appropriate.

[Regulation 59 amended by para 18 of Provincial Notice 363/2000 dd 16 August 2000]

Applicability of Chapter to holder of limited gambling machine operator licence

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

[Regulation 60 amended by para 20 of Provincial Notice 363/2000 dd 16 August 2000]

CHAPTER 23

[Chapter 23 inserted by para 4 of Provincial Notice 331/1998 dd 19 June 1998]

PROGRESSIVE CASINO GAMES

Progressive jackpot displays, meters and limits

- 61.** (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. At least once each day, the licence holder shall record on a progressive meter reading sheet, the amount shown on each progressive jackpot meter, other than such jackpots which can be paid directly from the hopper of the gambling machine in respect of which they are offered, at the licence holder's gambling establishment. Explanations for any meter-reading decrease shall be recorded on the relevant progressive meter reading sheets, and where the explanation for a decrease is the payment of a jackpot, the licence holder shall also record the jackpot pay-out form number on the relevant sheet or have such number reasonably available. Each licence holder shall record on each progressive meter reading sheet the base amount of the progressive jackpot to which that sheet pertains.
- (2) 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. In the event of the imposition of a limit, the licence holder shall post a conspicuous notice of such limit at or in the immediate vicinity of the gambling game to which such limit applies.

[Regulation 61 amended by para 33 of Provincial Notice 363/2000 dd 16 August 2000]

Reductions of progressive jackpots

- 62.** 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 83(2), 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.

[Regulation 62 amended by para 33 of Provincial Notice 363/2000 dd 16 August 2000]

CHAPTER 24

[Chapter 24 inserted by para 4 of Provincial Notice 331/1998 dd 19 June 1998]

MINIMUM CASINO BANKROLL REQUIREMENT

Minimum casino bankroll requirement

- 63.** (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 subregulation (2), the licence holder shall immediately notify the Board of such deficiency and the extent thereof.
- (4) Failure to maintain the minimum casino bankroll required by this regulation, or such higher bankroll as may be required by the Board pursuant to this regulation, or failure to comply with subregulation (3), is an offence.

[Regulation 63 amended by para 33 of Provincial Notice 363/2000 dd 16 August 2000]

CHAPTER 25

[Chapter 25 inserted by para 4 of Provincial Notice 331/1998 dd 19 June 1998 and substituted by para 35 of Provincial Notice 363/2000 dd 16 August 2000]]

MANUFACTURERS AND DISTRIBUTORS

Approval of devices and games

- 64.** (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.
[Subregulation 64(1) amended by para 34 of Provincial Notice 363/2000 dd 16 August 2000]
- (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.
[Regulation 64 amended by para 33 of Provincial Notice 363/2000 dd 16 August 2000]

Alterations and modifications prohibited

- 65.** A licence holder shall not alter the operation of, or modify any gambling device or gambling game without the prior written approval of the Board.
[Regulation 65 amended by para 33 of Provincial Notice 363/2000 dd 16 August 2000]

Summary suspension of approval

- 66.** (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 as approved by the Board, or if it reasonably suspects that the relevant manufacturer has misrepresented the manner in which such gambling device operates.

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

[Regulation 66 amended by para 33 of Provincial Notice 363/2000 dd 16 August 2000]

CHAPTER 26

[Chapter 26 inserted by para 4 of Provincial Notice 331/1998 dd 19 June 1998 and substituted by para 35 of Provincial Notice 363/2000 dd 16 August 2000]

OFFENCES AND PENALTIES

Offences and penalties

- 67.** Contravention of any of these Regulations, or failure to comply therewith, by any person shall be an offence punishable, upon conviction, 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.

[Regulation 67 amended by para 33 of Provincial Notice 363/2000 dd 16 August 2000]

CHAPTER 27

[Chapter 27 inserted by para 4 of Provincial Notice 331/1998 dd 19 June 1998 and substituted by para 36 of Provincial Notice 363/2000 dd 16 August 2000]

PAYMENT OF TAXES

Payment of taxes by the holders of casino operator, limited gambling machine operator and bingo licences

- 68.** (1) The holder of a casino operator, limited gambling machine operator or bingo licence shall, within 5 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.

Payment of taxes by the holder of a totalisator operator licence

- 69.**
- (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 subregulation (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.

Payment of tax by the holder of a bookmaker licence

- 70.**
- (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.
[Sub-regulation (2) amended by paragraph (a) of Provincial Notice 358/2002
dd 8 November 2002 w e f 2 December 2002]
 - (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, as amended.

[Regulation 70 inserted by para 2 of Provincial Notice 24/2001 dd 2 February 2001]

Payment of betting levy by holder of bookmaker licence

- 71.** (1) The holder of a bookmaker licence shall, simultaneously with submission of the return required in terms of regulation 70(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).

Payment of betting levy to holder of totalisator operator licence

- 72.** Subject to compliance by the holder of the totalisator operator licence in the province of Western Cape with regulation 73, the Chief Executive Officer shall, within seven days of receipt of the betting levy referred to in regulation 71(3) or (6), as the case may be, pay the whole amount so received to such licence holder.

Duties of holder of totalisator operator licence regarding betting levy

73.(1) The holder of the totalisator operator licence referred to in regulation 72 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) and (4), 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) No less than twenty-five percent of the total amount paid over to the holder of the totalisator operator licence pursuant to regulation 72 in any year shall be allocated to stakes payable in respect of horseracing in the Western Cape; provided that-

- (a) the total amount expended on or allocated to stakes during the first full year in which the levy is paid to the holder of the totalisator operator licence pursuant to regulation 72, shall not be less than the sum of the amount expended on stakes during the twelve months immediately preceding the commencement of payment of the betting levy to such licence holder and the total portion, being a minimum of twenty-five percent, of the betting levy paid over to such licence holder and expended on or allocated to stakes during such twelve month period, and
- (b) the amount expended on or allocated to stakes during each year subsequent to the first full year for which the levy is paid to the holder of the totalisator operator licence pursuant to regulation 72, shall not be less than the total amount contemplated in paragraph (a).

(4) No portion of any sum paid over to the holder of the totalisator operator licence pursuant to regulation 72 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 Jockey Club of Southern Africa;
- (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.

Duty of Chief Executive Officer regarding betting levy

- 74.** If the holder of the totalisator operator licence referred to in regulation 72, does not comply with regulation 73, 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.

[Regulations 71 – 74 inclusive inserted by paragraph (b) of Provincial Notice 358/2002
dd 8 November 2002, w e f 2 December 2002]

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