

GAMBLING AND RACING REGULATIONS

UNDER section 133 of the Free State Gambling and Liquor Act, 2010 (Act 6 of 2010), I, M.A. Dukwana, Member of the Executive Council responsible for Economic Development, Tourism and Environmental Affairs, in consultation with the Free State Gambling and Liquor Authority, hereby make the regulations as set out in the Schedule.

SCHEDULE

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PART 1 - GENERAL

CHAPTER 1

Definitions

1 Definitions

In these Regulations, unless the context indicates otherwise, any word or expression to which a meaning has been assigned in the Act, shall have the meaning so assigned and

"Act" means the Free State Gambling and Liquor Act, 2010 (Act 6 of 2010);

"applicant" means any person making an application in terms of the Act or these Regulations;

"cash" means coin and currency that circulates, and is customarily used and accepted as money, in the issuing nation;

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

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

"credit instrument" means a written proof of a gaming debt owed to a casino licensee and includes any voucher taken in consolidation, redemption or payment of a previous credit instrument;

"drop" means

- (a) in the case of table games, the total amount of cash, chips, plaques and credit markers contained in the drop box;
- (b) in the case of gaming machines, the total amount of cash and tokens removed from a gaming machine's drop box or, for cashless gaming machines, the amounts deducted from a player's slot account as a result of playing on a gaming machine;

"drop box" means

- (a) in the case of table games, a locked container permanently marked with the game, shift and number corresponding to a permanent number on the table and which is locked to the table, separately keyed from the container itself, into which all currency exchanged for chips, plaques, tokens or credit instruments at the table and all other items or documents pertaining to transactions at the table must be put;
- (b) in the case of gaming machines, a container in a locked portion of the machine or its cabinet which is used to collect the cash and tokens retained by the machine that are not used to make automatic payouts from the machine;

"equipment" means any equipment, device, component or machine used remotely or directly in connection with gaming;

"fill" means

- (a) in the case of table games, the issuing of additional chips or plaques to the table;
- (b) in the case of gaming machines, the issuing of cash or tokens to a gaming machine's hopper;

"final action" in relation to any application, means the date when the board grants or refuses an application;

"gross takings" means the total amount of bets placed on the totalizator in all pools but excluding any bets thus placed that are cancelled and excluding all refunds paid to holders of bets on the totalizator when as a result of any horses that are scratched, the holder of the ticket is entitled to a refund in terms of the totalizator rules;

"jackpot payout" means

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

"junket representative" means any person who

- (a) approves or grants the extension of gaming credit on behalf of a casino licensee or collects a debt evidenced by a credit instrument; or
- (b) contracts with a casino licensee or its affiliate to provide services for guests at a casino consisting of arranging complimentary transportation, lodging, food or other services, or any combination thereof, whose combined retail price per person exceeds R3 000 in any 7 (seven) day period;

Provided that the term, in general circumstances, does not include a

- (a) casino licensee;
- (b) bonded collection agency licensed by a local authority where the agency has its principal place of business;
- (c) licensed attorney;
- (d) supplier of transportation only;
- (e) travel agency which receives compensation solely on the price of the transportation or lodging arranged for by the agency; or
- (f) casino employee otherwise registered with the board;

"licence" includes a special licence;

"licensee" means the holder of a licence;

"racing club" means an association or body of persons, which is the holder of a Race-Meeting licence;

"special licence" means a licence referred to in section 79 of the Act;

"TAB" means the Totalizator Agency Board (Free State) referred to in the Horseracing and Betting Ordinance, 1977 (Ordinance 8 of 1977);

"table float" means the amount of chips, plaques, and coins contained on a casino table game and used by the dealer or croupier to conduct gaming related transactions;

"tattersalls" means a betting exchange referred to in regulation 119T where licensed bookmakers are authorised to conduct their business;

"token" means a metal or other representative of value, redeemable for cash, and issued and sold by a licensee for use in gaming machines or for use in slot machines or counter games at the licensee's licensed premises.

CHAPTER 2

Applications, Investigations and Hearings

2 Applications

- (1) Every application shall be submitted on the forms furnished or approved by the board and shall contain and be accompanied and supplemented by such documents and information as may be specified or required by the board.
- (2) It is a ground for denial of an application and an offence for any person to make any false statement regarding a material fact in any application submitted to the board, or to limit in any such application any material fact which is required to be stated therein.
- (3) All information required to be included in an application must be true and correct as at the date of submission of the application: Provided that, if there are changes to the information contained in the original application due to facts occurring after the application has been submitted, the applicant shall immediately inform the board thereof.
- (4) An application may, with the approval of the board, be amended in any respect at any time prior to final action thereon by the board.
- (5) Any amendment to an application shall have the effect of establishing the date of such amendment as the new date of submission of such application with respect to the time requirements for action on such application.

3 Notice of intention to apply

An applicant shall, before lodging his application for a licence with the chief executive officer, in the manner referred to in section 65(2)(b)(ii) give notice of his intention to apply for a licence, substantially in the form of Form 1 contained in Annexure A.

4. Representations by interested parties

- 4(1) Any interested person wishing to make representation in relation to any application submitted to the board, shall do so in writing and such representation shall contain at least the following information –
 - (a) the name of the applicant to which the representation relate;
 - (b) the ground or grounds on which representations are made;
 - (c) the name, street and/or postal address, telephone and fax number of the person submitting the representation.
 - (d) whether the person submitting the representation requests the board to determine that such person's identity may not be divulged and the grounds for such request.
- (2) Any representation not containing the information required by sub-regulation (1) shall be of no force and shall be deemed not to have been lodged with the board.

5 Period for which application and objections are open for public inspection

Any application, objection and response referred to in section 68(1) of the Act shall be open for inspection from the date of lodgement of the application reflected in the notice referred to in section 65(2)(b)(ii) of the Act until the date of completion of the investigation contemplated in section 69 of the Act.

6 Summoning of applicants

Failure by any applicant duly summoned under section 20(2) of the Act to appear and testify fully at the time and place specified in the summons, until excused, may constitute a ground for denial of the application without further consideration by the board.

7 Withdrawal of application

- (1) An applicant may at any time prior to final action by the board in respect of the application, request the board in writing for permission to withdraw the application.
- (2) The board may in its discretion, grant the request with or without prejudice.

8 Investigative fees for applications

- (1) The applicant shall in the manner prescribed by this regulation, pay all fees and costs incurred by the board in investigating an applicant, excluding an applicant for employee registration.
- (2) The board may estimate the investigative fees and costs and require a deposit to be paid by the applicant in advance as a condition for starting or continuing an investigation.
- (3) The board may, at any stage during an investigation, require an applicant to lodge with the board additional security for the payment of investigative fees and costs.
- (4) Upon completion of its investigation, the board shall supply the applicant with a detailed account of the investigative fees and costs incurred.
- (5) The board shall not take final action on any application unless the applicant concerned has paid all investigative fees and costs in full.

9 Hearing of application

- (1) The Board shall hold a hearing in respect of every application for –
 - (a) a casino licence;
 - (b) Limited gambling machine operator licence and;
 - (c) Limited gambling machine site licence in respect of every site for which limited payout machines in excess of five is sought.”

- (2) In respect of any other application, the board shall only be obliged to hold a hearing if an objection has been received in respect of such application or if the board deems it necessary.

9(A) Person Presiding

- (1) Subject to sub-regulation (2), the chairperson of the Board shall preside at a hearing of the Board in terms of the Act.
- (2) The Chairperson may appoint a member or 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.
- (4) The Chairperson or the person appointed by the chairperson to preside, may direct the aspects to be covered in oral presentations by a person afforded the opportunity to be heard at such hearing and may set time limits for such oral presentations.

10 Evidence at hearing

It shall not be necessary to limit evidence before the board only to evidence which would be admissible in civil proceedings in a court of law, unless the board, of its own accord or on application issues a directive to the contrary as to the admissibility of evidence.

11 Privilege

- (1) An applicant may not refuse to answer reasonable and justifiable questions of the board in respect of the application.
- (2) If an applicant does refuse to answer any such questions of the board, the board must take this fact into account when considering whether to grant or refuse the application concerned.

12 General

- (1) Any licence which is issued, or registration, finding of suitability or approval by the board shall be deemed to be a revocable privilege contingent upon continuous suitability for licensing, registration, finding of suitability or approval.
- (2) The burden of proving his qualification to receive any licence, registration, finding of suitability or approval shall at all times rest on the applicant.
- (3) By submitting an application for a licence the applicant accepts the risk of adverse publicity, embarrassment, criticism or financial loss which may result from action with respect to an application and expressly waive any claim for damages against the board or its members as a result thereof.

13 Record of proceedings

- (1) A record shall be kept of
 - (a) any decision of the board;
 - (b) any evidence given to the board;
 - (c) any objection made to any evidence received or tendered;
 - (d) any onsite inspection and any matter recorded as a result thereof; and
 - (e) the proceedings of the board generally.
- (2) Such record shall be kept by such means, including shorthand notes or electronic recording, as the board may deem expedient.
- (3) After the person who took any shorthand notes or made electronic recording has certified them as correct, the notes or recording shall be filed with the chief executive officer.
- (4) A transcript of the notes or recording or a portion thereof may be made at the request of the board or any party upon payment of the reasonable expenses incurred by the board in causing such transcript to be made: Provided that the chief executive officer may, on good cause shown, dispense with the payment of such amount.
- (5) If a transcript is required in terms of sub regulation (4), the person who made the transcript of an electronic recording or notes shall certify them as correct and such transcript, together with any notes or electronic records shall be returned to the chief executive officer.
- (6) The transcript of the shorthand notes or electronic records certified as correct as stated in sub regulation (3) shall be deemed to be correct unless the contrary is proved to the satisfaction of the board and it issues an order accordingly.

13A Licence application or other inquiry hearing

When the Board decides to hold a hearing or inquiry other than a patron dispute hearing or a licensee disciplinary hearing -

- (1) the Board shall publish a notice in English and/or in at least one of the other official languages in the Provincial Gazette and at least one other local news paper circulating in the area, containing:
 - (a) The subject matter of hearing or inquiry and
 - (b) a concise indication of the particulars of the place, time and venue at which the hearing or inquiry will be held;
- (2) Unless the urgency of the hearing requires otherwise, the notice shall be placed at least 7 working days before the hearing or inquiry as stipulated in sub-regulation (1)(b).

13B Patron dispute hearing

When the Board decides to hold a hearing or inquiry with regards to a patron dispute-

- (1) the Board shall, by written notice to the patron who declared the dispute, the licensee and any other persons who are required to present evidence at the hearing, give a concise indication of the particulars of the place, time and venue at which the hearing or inquiry will be held.
- (2) The notice shall be given at least 7 working days before the hearing or inquiry as stipulated in sub-regulation (1).

13C Licensee disciplinary hearing

When the Board decides to hold a hearing or inquiry with regards to disciplinary action against a licensee-

- (1) the Board shall, by written notice to the licensee, any employees of the licensee and any officials of the Board who are required to present evidence at the hearing, give a concise indication of the particulars of the place, time and venue at which the hearing or inquiry will be held.
- (2) The notice shall be given at least 7 working days before the hearing or inquiry as stipulated in sub-regulation (1).

13D Decisions and final orders

- (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 sub-regulation (2).

PART 2 - CASINO LICENCES

CHAPTER 3

Employee Registration

14 Key employees

- (1) The following employees of a casino licensee are classified as key employees and are required to hold certificates of approval in accordance with section 100(1) of the Act:
 - (a) the senior management of the licensee;
 - (b) if the licensee is a corporate body, every director, officer or person holding an equivalent position, of such corporate body;
 - (c) any individual who has the authority to hire or terminate supervisory casino personnel;
 - (d) any individual who has the authority to supervise or direct a shift of each gaming or security activity, including but not limited to the supervision or direction of the entire pit operation, gaming machines or other gaming operation, and any persons having authority to supervise or direct such persons;
 - (e) any individual having authority or the responsibility to manage one or more of the following types of departments or functions of the operation, including, but not limited to
 - (i) the accounting department;
 - (ii) credit and collections department;
 - (iii) Cashier department ;
 - (iv) human resources department ;
 - (v) internal audit department;
 - (vi) security department; and
 - (vii) surveillance department;
 - (f) any individual who has been specifically represented to the board by a licensee, officer or director thereof as being important or necessary to the operation of the casino establishment;
 - (g) all persons who individually or as part of a group formulate management policy; and
 - (h) any job position or individual who, upon written notification by the board, is considered to be a key position or employee for purposes of these Regulations.
- (2) For the purpose of sub-regulation (1)(h), the board shall not be restricted by the title of the job performed but shall consider the functions and responsibilities of the person or position involved in making its decision as to key employee status.
- (3) Subject to section 107 of the Act, a licensee shall not employ a key employee until such time as the prospective employee has applied for and been granted a certificate of approval as a key employee by the board.
- (4) A licensee shall, within 14 (fourteen) days of termination of the employment of a key employee, notify the board in writing of such termination and the reasons therefor.

15 Other casino employees

- (1) The following occupations are classified as casino occupations and the persons occupying such posts are required to hold certificates of approval in accordance with section 100(1) of the Act:
 - (a) Key employee;
 - (b) dealer/croupier;
 - (c) cashier;
 - (d) counter;
 - (e) change attendant;
 - (f) host;
 - (g) floor attendant;
 - (h) security attendant;
 - (i) gaming machine attendant;
 - (j) gaming machine technician;
 - (k) surveillance personnel;
 - (l) gaming credit personnel;
 - (m) gaming debt collection personnel;
 - (n) internal audit personnel;
 - (o) accounting personnel;
 - (p) data processing personnel;
 - (q) bingo personnel; and
 - (r) any other occupation that, upon written notification by the board is considered to be a casino occupation for purposes of these Regulations.
- (2) Subject to section 107 of the Act, a licensee shall not employ anybody in a casino occupation until such time as the prospective employee has applied for and been granted a certificate of approval as a casino employee by the board.
- (3) A licensee shall, within 14 (fourteen) days of termination of the employment of a casino employee, notify the board in writing of such termination and the reasons therefor.
- (4) Every casino employee shall have his or her certificate of approval as issued by the board available for inspection at all times when he or she is on duty in such manner as the board may determine.

16 Copy of certificate of approval on employment record

A licensee shall, in respect of every employee required to hold a certificate of approval in terms of this Chapter, keep a copy of such employee's certificate on the employment record of that employee.

17 Effect of suspension or withdrawal of certificate of approval

If an employee required to hold a certificate of approval in terms of this Chapter has his or her certificate of approval

- (a) withdrawn by the board, the licensee by whom such a person is employed shall summarily terminate the employment of that person in any capacity in which he or she is required to hold such a certificate;
- (b) suspended by the board, the licensee by whom such a person is employed shall summarily suspend the employment of that person in any capacity in which he or she is required to hold such a certificate, for the period of suspension by the board.

CHAPTER 4

Stakes and Prizes

18 Table games

- (1) The minimum and maximum stakes allowed as may be determined by the board, and the prizes payable in respect of winning wagers applicable to every licensed game, shall at all times be displayed on the table or in a conspicuous place immediately adjacent thereto.
- (2) Payoff schedules or award cards must accurately state actual payoffs or awards applicable to the particular game and shall not be worded in such a manner as to mislead or deceive the public.
- (3) A licensee, who maintains a payoff schedule or award card in a misleading or deceptive manner or fails to make payment in strict accordance with payoff schedules or award cards as displayed, shall be guilty of an offence.

19 Gaming machines

- (1) The board may determine stakes and prizes allowed.
- (2) Gaming machines exposed for play must have a theoretical and demonstrable return to the public of not less than 80 % (eighty per cent).
- (3) All winning combinations, together with the corresponding prizes, must be clearly displayed on every gaming machine exposed for play, except that in the case of video gaming machines the foregoing requirements will be satisfied if the player is at all times made aware that award cards applicable to each individual game are readily accessible and will be displayed on the video screen of the device upon the initiation of a command by the player.

19A Promotions

19A The licensee shall, at least ten (10) working days prior to hosting of tournaments and/or promotions,

- (1) submit an application for approval of such tournament and/or promotion to the Board,
- (2) The application shall contain at a minimum the following information:
 - (a) the mechanics and rules of the tournament and/or promotion;
 - (b) duration of the promotion; and

- (c) details and copies of all advertisements or promotions that will be done with regards to the tournament and/or promotion.

CHAPTER 5

Credit Extension

20 Credit extension

- (1) A licensee may extend credit to qualified patrons, provided that prior to the extension of credit, the licensee obtains and documents in his records, sufficient information regarding the patron's identity, credit history and financial capabilities in relation to the credit being requested and such further information as required by the rules of the board and the licensee's approved system of internal control.
- (2) All credit extensions shall be evidenced by a credit instrument signed by the patron receiving the credit at the time of the credit extension and shall contain sufficient information to allow for collection of the debt and such other information as the board may require.
- (3) Licensees shall pursue collection of all credit instruments in accordance with the rules of the board and the licensee's approved system of internal control.
- (4) All disputes in respect of the non-payment of credit instruments shall be subject to chapter 43 of the Regulations
- (5) Gaming debts may be settled by a licensee for less than the full amount of the debt, provided the licensee documents in his records the basis for such settlements and complies with the rules of the board and the licensee's approved system of internal control.
- (6) All gaming debt, including debt created as a result of discounting credit extended shall not be used as a deduction in the calculation of the gambling levy.

CHAPTER 6

Cash Transactions

21 Prohibited transactions by licensees

- (1) Cash shall not be exchanged for cash except to enable the patron to participate in gaming where cash is used as the stake or for the purpose of converting such cash after participation in gaming.
- (2) A cheque or other negotiable instrument shall not be issued nor shall any transfer of funds be effected to or on behalf of a patron in exchange for cash, other negotiable instrument, chips or tokens, unless the licensee is satisfied that the patron has genuinely participated in gaming at his casino.

22 Transactions to be reported

The following transactions by a licensee shall be subject to the reporting requirements of this Chapter:

- (a) exchanging 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 R25 000,00;
- (b) issuing a cheque or other negotiable instrument to a patron, or otherwise effecting 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 R25 000,00;
- (c) redeeming more than R25 000,00 worth of the licensee's chips from a patron for cash or other negotiable instrument in any transaction;
- (d) selling or otherwise issuing in any transaction more than R25 000,00 worth of the licensee's chips to a patron for cash or other negotiable instrument;
- (e) receiving more than R25 000,00 in cash or other negotiable instrument from a patron in any transaction as a deposit for gaming or safekeeping purposes if the licensee has knowledge of the amount of cash deposited;
- (f) receiving more than R25 000,00 in cash or other negotiable instrument from a patron in any transaction as a repayment of credit previously extended;
- (g) accepting more than R25 000,00 in cash or other negotiable instrument as a wager at any gaming activity at which chips are not customarily used for wagering; or
- (h) receiving from or disbursing to a patron more than R25 000,00 in cash or other negotiable instrument in any transaction not covered specifically by paragraphs (a) to (g).

23 Transaction reports

- (1) Before completing a transaction referred to in regulation 22, the licensee must
 - (a) obtain or make reasonable attempts 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; and
 - (vii) the names and signature of the persons handling the transaction and recording the information on behalf of the licensee.
- (2) Each licensee shall lodge with the board a copy of the records contemplated in sub-regulation (1)(c), within 14 (fourteen) days after the end of the month to which the records relate.

24 Multiple transactions

- (1) A licensee and his employees and agents shall not knowingly allow, and each licensee shall take all reasonable steps to prevent the circumvention of any of the provisions of this Chapter by multiple transactions in a 24hour period with a patron or a patron's agent or accomplice.
- (2) For purposes of the reporting requirements set out in regulation 22, each licensee shall aggregate all cash transactions within a 24hour period between the licensee and a patron or a person who the licensee knows or has reason to know is the patron's agent or accomplice.

25 Internal controls

Each licensee shall include as part of his system of internal control lodged with the board in accordance with these Regulations a description of procedures adopted by the licensee in order to comply with this Chapter.

CHAPTER 7

Registration and Maintenance of gaming Devices and Equipment

26 Certain equipment to be registered

A licensee shall not keep or maintain any of the following equipment, unless it has on application been separately approved and registered by the board:

- (a) roulette tables;
- (b) roulette wheels;
- (c) blackjack tables;
- (d) craps tables;
- (e) punto banco tables;
- (f) baccarat tables;
- (g) poker tables;
- (h) gaming machines; and
- (i) such other equipment as the board may determine.

27 Maintenance of gaming machines

A licensee shall not alter the operation of a registered gaming machine or equipment without the prior approval of the board and shall only make use of a holder of a maintenance licence to maintain the gaming machines and equipment in a suitable condition: Provided that certain basic maintenance functions as determined by the board may be carried out by the licensee.

28 Cards and dice control

Each licensee shall submit to the board for approval procedures that provide adequate security over cards and dice and limit the possibility of unauthorised access and tampering, including

- (a) an inventory system for cards, dice and roulette balls which shall include at least the recording of the following:

- i) the balance of cards, dice and roulette balls on hand;
 - ii) cards, dice and roulette balls removed from storage;
 - iii) cards, dice and roulette balls returned to storage or received from the manufacturer;
 - iv) the date of the transaction; and
 - v) the signatures of the employees involved;
- (b) reconciliation on a daily basis of the cards, dice and roulette balls
 - i) distributed;
 - ii) destroyed and cancelled;
 - iii) returned to the primary storage area; and
 - iv) in reserve (if any);
- (c) a physical inventory of the cards, dice and roulette balls at least once every 3 (three) months by an independent person;
- (d) procedures for destruction and cancellation of cards, dice and roulette balls.

CHAPTER 8

Fees and Levies

29 Application fees

The following non-refundable fees shall accompany applications:

| Type of application | Fee R |
|-----------------------------------------------------------------------------------|------------|
| (a) Application for a casino licence | 220 000,00 |
| (b) Application for transfer or removal of licence | 220 000,00 |
| (c) Certificate of suitability | 5 500,00 |
| (d) Consent for procurement of financial interest in the business of the licensee | 5 500,00 |
| (e) Amendment of licence | 5 500,00 |
| (f) Certificate of approval: key employee | 1 100,00 |
| (g) Certificate of approval: casino employee | 275,00 |
| (h) Junket representative registration | 275,00 |

30 Licence fees

(1) Every holder of a casino licence shall pay a licence fee of R55 000,00 plus

- (a) R550 per registered gaming machine;
- (b) R1 100 per licensed casino table; and
- (c) R55 per licensed bingo seat,

for every year or part of a year ending on 31 March.

- (2) The licence fee payable in terms of sub-regulation (1) shall be paid to the board on issuing of the licence and thereafter before 1 April of every year.
- (3) If the licence fee payable in terms of sub-regulation (1) is not paid in accordance with sub-regulation (2), the licensee shall pay a penalty on the amount of any licence fee outstanding at a rate of 10% (ten per cent) of the licence fee for each week or part of a week during which the licence fee remains unpaid.

31 Gambling levy

- (1) The gambling levy payable in terms of section 2 of the Free State Gambling Levies Act 1 of 2010, shall be paid at the rate of 7 % (seven per cent) of the licensee's gross gaming revenue, excluding VAT or any other levies payable in terms of any other Act.
- (2) For each table game, gross gaming revenue equals the closing table float plus credit slips for cash, chips or tokens returned to the casino cage, plus drop, less opening table float and fills to the table.
- (3) For each gaming machine, gross gaming revenue equals drop less jackpot payouts, fills to the machine and, if the licensee retains detailed documentation supporting the deduction, the actual cost to the licensee of any personal property (excluding travel, lodging, food and beverages or service) distributed to a patron as winnings from a gaming machine.
- (4) For each card game and any other game in which the licensee is not a party to a wager, gross gaming revenue equals all money received by the licensee as compensation for conducting the game.
- (5) If in any tax period the amount of gross gaming revenue is less than zero, the licensee may deduct the excess in the succeeding tax periods, until the loss is fully offset against gross gaming revenue.

CHAPTER 9

Chips and Tokens

32 Approval of chips and tokens: applications and procedures

- (1) A licensee shall not issue any chips or tokens for use in its casino, or sell or redeem any such chips or tokens, unless the chips or tokens have been approved in writing by the board.
- (2) A licensee shall not issue any chips or tokens that are modifications of chips or tokens previously approved by the board, for use in its casino, or sell or redeem any such chips or tokens, unless the modifications have been approved in writing by the board.
- (3) Applications for approval of chips or tokens and modifications to previously approved chips or tokens shall be made and processed in the manner and form as the board may determine.
- (4) Each application must include, in addition to such other items or information as the board may require

- (a) an exact drawing, in colour, of each side and the edge of the proposed chip or token, drawn to actual size or drawn to larger than actual size and in scale, and showing the measurements of the proposed chip or token in each dimension;
 - (b) written specifications for the proposed chips or tokens;
 - (c) the name and address of the manufacturer; and
 - (d) the licensee's intended use for the proposed chips or tokens.
- (5) If, after receiving and reviewing the items and information referred to in sub-regulation (4), the board is satisfied that the proposed chips or tokens conform with the requirements of this Chapter, the board shall notify the licensee in writing thereof, and the licensee shall on request submit a sample of the proposed chips or tokens in final, manufactured form.
- (6) If the board is satisfied that the sample conforms to the requirements of this Chapter and with the information submitted with the licensee's application, it shall approve the proposed chips or tokens and notify the licensee in writing thereof.
- (7) As a condition of approval of chips or tokens issued for use at a specific table or counter game, the board may prohibit the licensee from using the chips or tokens other than at the specified game.
- (8) The board may retain the sample chips and tokens submitted in terms of this regulation.

33 Specifications for chips and tokens

- (1) Chips and tokens must be designed and manufactured in compliance with all applicable laws of the Republic and these regulations so as to prevent counterfeiting of the chips and tokens to the extent reasonably possible.
- (2) Chips and tokens must not deceptively resemble any current or past coins of the Republic or any other country.
- (3) In addition to such other specifications as the board may determine
 - (a) the name of the issuing casino must be inscribed on each side of each chip and token, and the city or other locality where the casino is located must be inscribed on at least one side of each chip and token, other than chips used exclusively at a roulette game;
 - (b) the value of the chip or token must be inscribed on each side of each chip and token, other than chips used exclusively at a roulette game;
 - (c) the manufacturer's name or a distinctive logo or other mark identifying the manufacturer must be inscribed on at least one side of each chip and token, other than chips used exclusively at a roulette game; and
 - (d) each chip and token must be so designed that when stacked with chips and tokens of other denominations and viewed on closed circuit television, the denomination of the chip and token can be distinguished from that of the other chips and tokens in the stack.

34 Additional specifications for tokens

Tokens must not be manufactured from material possessing sufficient magnetic properties so as to be accepted by a coin mechanism, other than that of a gaming machine.

35 Use of chips and tokens

- (1) A licensee that uses chips or tokens at his casino shall
 - (a) comply with all applicable laws of the Republic pertaining to chips or tokens;
 - (b) sell chips and tokens only to patrons of his gaming establishment and only at their request;
 - (c) promptly redeem his own chips and tokens from his patrons;
 - (d) post conspicuous signs at his casino notifying patrons that the law prohibits the use of the licensee's chips or tokens outside the casino for any monetary purpose whatsoever; and
 - (e) take reasonable steps, including examining chips and tokens and segregating those issued by other licensees to prevent sales to his patrons of chips and tokens issued by another licensee.
- (2) A licensee shall not accept chips or tokens as payment for any goods or services, other than food and beverages offered at the licensee's casino with the exception of the specific use for which the chips or tokens were issued, and shall not give chips or tokens as change in any other transaction.
- (3)
 - (a) A licensee shall not redeem his chips or tokens if presented by a person who the licensee knows or reasonably should know is not a patron of his casino.
 - (b) A licensee shall promptly redeem his chips and tokens if presented by
 - (i) another licensee who represents that he redeemed the chips and tokens from his patrons and received them unknowingly, inadvertently or unavoidably; or
 - (ii) an employee of the licensee who presents the chips and tokens in the normal course of employment.
- (4) A licensee shall not knowingly sell, use, permit the use of, accept, or redeem chips or tokens issued by another licensee: Provided that
 - (a) a licensee may redeem tokens issued by another licensee if
 - (i) the tokens are presented by a patron for redemption to a cashier of the licensee's casino and the patron states that he or she received the tokens at the licensee's casino from the payout chutes of gaming machines or from an employee of the licensee; or
 - (ii) the tokens are presented by a patron at a table game, and the licensee redeems the tokens with tokens of his own, places the redeemed tokens in the table's drop box, and separates and properly accounts for the redeemed tokens during the count performed in terms of the licensee's system of internal control;
 - (b) a licensee may redeem chips issued by another licensee if
 - i) the chips are presented by a patron for redemption at the cashier's cage of the licensee's gaming establishment; or
 - ii) the chips are presented by a patron at a table game and the licensee redeems the chips with chips of his own, places the redeemed chips in the table's drop box, and separates and properly accounts for the redeemed chips

during the count performed in terms of the licensee's system of internal control.

- (5) Chips whose use is restricted to uses other than at table games or other than at specified table games may be redeemed by the issuing licensee at table games or non-specified table games if the chips are presented by a patron, and the licensee redeems the chips with chips issued for use at the game, places the redeemed chips in the table's drop box, and separates and properly accounts for the redeemed chips during the count performed in terms of the licensee's system of internal control.

36 Redemption and disposal of discontinued chips and tokens

- (1) A licensee that permanently removes from use or replaces approved chips or tokens at his casino, or that ceases operating his casino whether due to closure or sale of the casino or any other reason, must prepare a plan for redeeming discontinued chips and tokens that remain outstanding at the time of discontinuance.
- (2) The licensee must submit the plan in writing to the board no later than 30 (thirty) days before the proposed removal, replacement, sale or closure, unless the closure or other cause for discontinuance of the chips or tokens cannot reasonably be anticipated, in which event the licensee must submit the plan as soon as reasonably practicable.
- (3) (a) The board may approve the plan or require reasonable modifications as a condition of approval.
(b) Upon approval of the plan, the licensee shall implement the plan as approved.
- (4) In addition to such other reasonable measures as the board may approve or require, the plan must provide for
 - (a) redemption of outstanding, discontinued chips and tokens in accordance with this Chapter within 120 (one hundred and twenty) days after the removal or replacement of the chips or tokens or within 120 (one hundred and twenty) days after operations cease, as the case may be, or within such longer or shorter period as the board may for good cause approve or require;
 - (b) redemption of the chips and tokens at the casino or at such other location as the board may approve;
 - (c) publication of a notice of the discontinuance of the chips and tokens and of the redemption and the pertinent times and locations in at least 2 (two) newspapers of general circulation in the Province at least twice during each week of the redemption period, subject to the board's approval of the form of the notice, the newspapers selected for publication and the specific days of publication;
 - (d) conspicuous posting of the notice referred to in paragraph (c) at the casino or other redemption location; and
 - (e) destruction or such other disposition of the discontinued chips and tokens in accordance with the directions of the board.

37 Destruction of counterfeit chips and tokens

- (1) Unless a competent court orders otherwise in a particular case, licensees shall destroy or otherwise dispose of counterfeit chips and tokens discovered at their casinos in such manner as the board may approve or require.
- (2) Unless the board or a competent court orders otherwise in a particular case, licensees may dispose of coins of the Republic or any other country discovered to have been unlawfully used at their casinos by including them in their coin inventories or, in the case of foreign coins, by exchanging them for local coins and including same in their coin inventories, or by disposing of them in any other lawful manner.
- (3) Each licensee shall record, in addition to such other information as the board may require
 - (a) the number and denominations, actual and purported, of the coins and counterfeit chips and 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 exchange rate and the identity of the bank, exchange company or other business or person at which or with whom the coins are exchanged; and
 - (d) the names of the persons carrying out the destruction or other disposal on behalf of the licensee.

38 Promotional and tournament chips and tokens

- (1) Subject to sub-regulation (2), promotional chips must be designed, manufactured, approved and used in accordance with the provisions of this Chapter applicable to chips and tokens.
- (2) Promotional chips must have the following characteristics:
 - (a) it must be of such shape and size and have such other specifications, as determined by the board, so as to be distinguishable from other chips and tokens;
 - (b) each side of a promotional chip must conspicuously bear the inscription "No Cash Value".
- (3) Promotional chips must not be used, and licensees shall not permit their use, other than for promotional purposes or tournaments for which they are issued.
- (4) The provisions of regulation 37 shall not apply to promotional chips and tokens.

39 Other value instruments

- (1) Subject to sub-regulation (2), other value instruments with which gaming is conducted must be designed, manufactured, approved, used, discontinued, destroyed or otherwise disposed of in accordance with the provisions of this Chapter applicable to chips and tokens.
- (2) Such other value instruments must be of such shape, size and design and have such other specifications as the board may approve or require.
- (3) The board may in its discretion, deny approval of value instruments, other than chips and tokens, or may grant approval subject to such conditions as it deems fit.

40 Receipt of chips or tokens from manufacturer or distributor

- (1) When chips or tokens are received from the manufacturer or distributor thereof, they shall be opened and checked by at least 3 (three) employees from different departments of the licensee.
- (2) Any deviation between the invoice accompanying the chips or tokens and the actual chips or tokens received or any defects found in such chips or tokens shall be reported promptly to the board.
- (3) After checking the chips received, the licensee shall cause the denomination of the chips received, the number of each denomination of chips received, the description of all chips received, the date of such receipt and the signature of the individuals who checked such chips to be reported in a chip inventory ledger.
- (4) If any of the chips received are to be held in reserve and not utilised either at the gaming tables or at a cashier's booth, they shall be stored in a separate locked compartment either in the vault or in a cashier's booth and shall be recorded in the chip inventory ledger as reserve chips”.

41 Inventory of chips

- (1) Chips shall be taken from or returned to the reserve chip inventory in the presence of a representative from the security, administration and tables department and monitored by the surveillance department.
- (2) The denominations, number and amount of chips so taken or returned shall be recorded in the chip inventory ledger together with the date and signatures of the individuals carrying out this process.
- (3) Each licensee shall, on a daily basis, compute and record the unredeemed liability for each denomination of chips and cause to be made an inventory of chips in circulation and cause the result of such inventory to be recorded in the chip inventory ledger.
- (4) On at least a monthly basis, each licensee shall cause an inventory of chips in reserve to be made and cause the result of such inventory to be recorded in the chip inventory ledger.
- (5) The procedure to be utilised to compute the unredeemed liability and the inventory chips in circulation and reserve shall be submitted to the board for approval.
- (6) A physical inventory of chips in reserve shall be required at least on a six monthly basis if the inventory procedures incorporate the sealing of the locked compartment.
- (7) During nongaming hours all chips in the possession of the licensee shall be stored in a vault in the cashier's cage: Provided that chips may be locked in a transparent compartment on gaming tables if there is adequate security as approved by the board.

CHAPTER 10

Surveillance and Security

42 Minimum standards

- (1) This Chapter sets out the minimum standards that must be followed by licensees with respect to surveillance systems.

- (2) The board may, in its discretion, require a licensee to comply with surveillance system requirements that are more stringent than those set out in this Chapter.

43 Surveillance systems: general requirements

- (1) Every licensee shall install, maintain and operate at all times a surveillance system comprising cameras, monitors, video and digital recorders and printers, that provides the coverage required by this chapter.
- (2) The surveillance system must include date and time generators that display on each video and digital recording the date and time of the recorded events and the displayed date and time must not obstruct the recorded view.
- (3) All equipment that may be utilised to monitor or record views obtained by the surveillance system must be and remain located in a room used exclusively for casino surveillance purposes and the entrance to the surveillance room must be located away from the view of casino employees and the general public.
- (4) Surveillance room equipment must have total override capability over any other satellite monitoring equipment in other offices.
- (5) The board and its agents shall **at all times** have immediate access to the surveillance room and other surveillance areas.
- (6) The surveillance system room must be staffed and the surveillance equipment monitored at all times by trained surveillance personnel who must be employed and trained by the licensee in accordance with minimum standards approved by the board, exclusively for surveillance purposes, and must possess knowledge of all table games and the regulations and rules pertaining to gaming operations.
- (7) The surveillance system and its equipment must be directly and securely wired in a way to prevent tampering and an auxiliary power source must be available and capable of providing uninterrupted power to the surveillance system in the event of a power loss and provide sufficient lighting to operate the surveillance system.
- (8) Each monitor screen in the surveillance system must be at least 30 centimeters measured diagonally.
- (9) Each camera in the surveillance system located in public areas must be placed behind a smoked glass dome, a one way mirror or other similar material, which conceals the camera from view.
- (10) The surveillance system may view and record in black and white: Provided that pit transactions occurring at the casino booths, views or roulette tables, progressive jackpots, machine with bill validators and count rooms must be viewed and recorded in colour.
- (11) The video printer used in the surveillance system must possess the capability to generate instantaneously upon command, a clear, still black and white or colour copy or photograph of the images depicted on a videotape recording.
- (12) The licensee must have the capability of creating first generation copies of video surveillance tapes that are standard VHS format or other format approved by the board.

44 Surveillance systems : Count rooms and casino booth

- (1) Every licensee shall install, maintain and operate at all times a surveillance system that possesses the capability to monitor and record clear unobstructed views of all areas and transactions within –
 - (a) the count rooms and any area where uncounted coin is stored during the drop and count process, including walls, doors, scales, wrapping machines, coin sorters, vaults, safes, drop boxes and general work surface.
 - (b) the casino booth, including customer windows, employee's windows, cash drawers, vaults, safes, counters and chip storage and fill windows.
- (2) All transactions within the count rooms and casino booth must be recorded with sufficient clarity to permit identification of each employee and his or her movements and to permit identification of all currency coins and paperwork.
- (3) The count rooms must have audio monitoring capabilities and the video tapes or digital recording must be retained for a minimum period of 14 (fourteen) days except where an incident is recorded in which event the relevant video tape or digital recording shall be retained for a period of 3 (three) years.

45 Surveillance systems: Table games

- (1) Every licensee who operates table games shall install, maintain and operate at all times a surveillance system that possesses the capability to monitor and record clear and unobstructed views of the following:
 - (a) all table game areas with sufficient clarity to permit identification of all dealers, patrons, spectators and pit personnel;
 - (b) all table games or card table surfaces, including table bank trays, with sufficient clarity to permit identification of all chip, cash, dice and card values, and the outcome of the game;
 - (c) roulette tables and wheels so as to permit views of both the table and the wheel on one monitor screen;
 - (d) all drop boxes and table numbers; and
 - (e) podium banks, including any drawers, cabinets and safes contained therein:Provided that all table game play activities shall be individually monitored and recorded by a dedicated fixed camera per table.
- (2) The surveillance system must have the capability to view and record simultaneously both the table game area and the table game surface.

46 Surveillance systems: gaming machines

Every licensee who exposes gaming machines for play shall install, maintain and operate at all times a surveillance system that possesses the capability to

- (a) continuously monitor and record clear, unobstructed, overall and continuous views of all areas that contain gaming machines with sufficient clarity to identify all patrons and employees; and
- (b) monitor and record clear and unobstructed views of all slot change booths, including their cash drawers, counter tops, counting machines, customer windows, and employee windows, recorded with sufficient clarity to permit identification of all transactions, cash, paperwork, patrons and employees.

47 Surveillance systems: casino security offices

- (1) The surveillance system must cover all areas of any security office wherein any person may be detained, questioned, interviewed or interrogated by casino security officers.
- (2) Security office coverage must include both audio and video, be recorded at all times if a person is detained, questioned, interviewed or interrogated therein, and the signal must terminate in the surveillance room.
- (3) The recordings must be retained by the licensee for at least 30 (thirty) days after the recorded event.
- (4) In each office or room covered by this Chapter, a sign must be conspicuously displayed which states that the area is under constant audio and video surveillance.

48 Malfunctions of casino surveillance system

- (1) Every licensee shall establish and maintain a written log of all malfunctions of the casino surveillance system and retain the log for at least 1 (one) year after the date of the most recent entry in the log.
- (2) Each malfunction must be repaired within 24 hours.
- (3) If repairs are not completed within 24 hours, the licensee shall immediately submit a written report to the board that sets out the reason for the delay in repairs and retain the report for at least 30 (thirty) days after submission to the board.
- (4) The board may at its discretion order that all activity in the area affected by the malfunction be suspended pending repairs.
- (5) In the event of a malfunction of a dedicated camera, recorder or monitor which is incapable of repair within the period of 24 (twenty four) hours stipulated in sub-regulation (2), the activity, game or slot machines being viewed must be suspended or closed pending repairs.

49 Surveillance system recording requirements

- (1) In addition to any other videotape recording requirements that are or may be imposed by this Chapter every licensee shall record all views, activities and locations as the board may from time to time require.
- (2) Every licensee shall videotape, record and maintain a written log of all activities observed by casino surveillance personnel that appear unusual or irregular, or that violate or appear

to violate any law of the Republic, the Act, the regulations or rules promulgated there under, and notify the board immediately.

- (3) All videotape recordings produced by a surveillance system must present a clear and unobstructed view of the scene depicted thereon.
- (4) Every licensee must retain all videotape recordings for at least 7 (seven) days after the recording is produced, unless a longer time period is required by another regulation of this Chapter, or by order of the board.
- (5) Every videotape recording must be labeled by surveillance personnel with the date and time period of the recording and the areas covered by the recording, and signed by the person who made the recording, by not later than 24 (twenty four) hours after the end of the shift during which the recording was made.
- (6) All videotape recordings must be made in real time and not in a time lapse recording mode.

50 Surveillance system plans and alterations to surveillance systems

- (1) Every applicant for a licence shall submit to the board a surveillance system plan with his licence application for approval by the board.
- (2) The surveillance system plan must include a casino floor plan that shows the placement of all surveillance equipment in relation to the locations required by this Chapter to be covered, and a detailed description of the casino surveillance system and its equipment.
- (3) No applicant or licensee shall alter or modify the approved surveillance system contemplated in sub-regulation (1), without the prior written approval of the board.
- (4) An applicant or a licensee shall submit to the board an amended plan reflecting any alteration of the surveillance system no later than 30 (thirty) days prior to the proposed alteration.

51 Compliance with surveillance system requirements

Applicants for a casino licence shall comply with the requirements set out in this Chapter no later than 7 (seven) days prior to the start of gaming operations.

CHAPTER 11

Progressive Casino Games

52 Progressive jackpot displays, meters and limits

- (1) A meter that shows the amount of the progressive jackpots must be conspicuously displayed at or near the casino game to which the jackpot applies.
- (2) At least once a day each licensee shall record the amount shown on each progressive jackpot meter at the licensee's establishment except for those jackpots that can be paid directly from a gaming machine's hopper.
- (3) Explanations for meter reading decreases must be maintained with the progressive meter reading sheets, and where the payment of a jackpot is the explanation for a decrease the licensee shall record the jackpot payout form number on the sheet or have the number reasonably available.

- (4) Each licensee shall record the base amount of each progressive jackpot the licensee offers.
- (5) A licensee may limit a progressive jackpot to an amount that is equal to or greater than the amount of the jackpot when the limit is imposed.
- (6) The licensee shall post a conspicuous notice of the limit at or near the casino game to which the limit applies.

53 Reduction of progressive jackpots

A licensee shall not reduce the amount displayed on a progressive jackpot meter or otherwise reduce or eliminate a progressive jackpot unless

- (a) a player wins the jackpot;
- (b) the licensee adjusts the progressive jackpot meter to correct a malfunction or to prevent the display of an amount greater than a limit imposed pursuant to regulation 52(5) and the licensee documents the adjustment and the reasons for it;
- (c) the licensee transfers the incremental amount to another progressive jackpot at the licensee's establishment and
 - (i) the licensee documents the transfer;
 - (ii) the progressive jackpot is transferred to the same type of casino game; and
 - (iii) the transfer is completed within 10 (ten) days after the progressive jackpot is removed from play or within such longer period as the board may for good cause approve.

CHAPTER 12

Minimum Casino Bankroll Requirements

54 Bankroll requirements

- (1) A casino licensee shall maintain, in such manner and for such amount as the board may approve or require, cash or cash equivalents in an amount sufficient to reasonably protect the licensee's patrons against defaults in gaming debts owed by the licensee.
- (2) The board shall distribute to licensees and make available to all interested persons a formula by which licensees determine the minimum casino bankroll requirements.
- (3) If at any time the licensee's available cash or cash equivalents are less than the amount required by this regulation, the licensee must immediately notify the board of this deficiency.
- (4) Failure to maintain the minimum casino bankroll required by this regulation, or a higher bankroll as required by the board pursuant to this regulation, or failure to notify the board of any deficiencies, is an offence.

CHAPTER 13

Junket Representatives

55 Registration

Junket representatives are for purposes of these Regulations, required to file an application for registration as a junket representative and to receive a certificate of approval from the board prior to any licensee paying any form of compensation to the junket representative.

56 Temporary registration

- (1) Where application for registration as a junket representative has been made and the board is satisfied that
 - (a) the operation of the licensee's business will be seriously prejudiced or disadvantaged by a delay in the contracting of the applicant; and
 - (b) the commencement of the employment of the applicant will not prejudice the integrity and proper operation of the licensee's business, the board may issue the applicant with a temporary certificate, pending the outcome of his or her application for registration.
- (2) If the board denies the application for registration by the holder of a temporary certificate, the licensee with whom such a person was contracted shall summarily terminate any agreement and association with that person without liability on the part of the licensee.

57 Suspension or revocation of registration

If a junket representative required to be registered in terms of this Chapter has his or her registration

- (a) revoked by the board, the licensee with whom such a person is contracted shall summarily terminate the agreement and association with that person;
- (b) suspended by the board, the licensee with whom such a person is contracted shall summarily suspend further activities or associations with that person and not pay any compensation to that person for the period of suspension by the board.

58 Suitability of junket representatives

The board may, at its discretion and in addition to junket representative registration, require a junket representative to file an application for, and be granted a certificate of suitability by the board.

59 Suspension or revocation of certificate of suitability

The board may, after giving the holder of a certificate of suitability an opportunity to be heard, suspend for a specified time or revoke a certificate

- (a) if any information in the application for such certificate was false in any material respect or was subject to any material omission;
- (b) if the holder of the certificate has failed to comply with or has contravened any term or condition of the certificate; or

- (c) if there are good reasons for doing so and it is in the best interest of the proper control and regulation of gaming.

60 Termination of association

- (1) If the board
 - (a) determines that a junket representative is unsuitable to be associated with a licensee; or
 - (b) suspends or revokes a junket representative's certificate of suitability, the licensee concerned shall summarily terminate any agreement or association between him and the junket representative without liability on the part of the licensee.
- (2) Failure to expressly include the provisions of sub-regulation (1) in an agreement is not a defence in any action brought in terms of this regulation to terminate the agreement.

PART 3 - BINGO OPERATOR LICENCES

CHAPTER 14

Employee Registration

61 Key employees

- (1) The following employees of a bingo licensee are classified as key employees and are required to hold certificates of approval in accordance with section 100(1) of the Act:
 - (a) the senior management of the licensee;
 - (b) if the licensee is a corporate body, every director, officer or person holding an equivalent position, of such corporate body;
 - (c) any individual who has the authority to hire or terminate supervisory personnel;
 - (d) any individual who has the authority to supervise or direct a session of bingo and any person having authority to supervise or direct such person;
 - (e) any individual having authority or the responsibility to manage one or more of the following types of departments or functions of the operation, including, but not limited to
 - (i) the accounting department;
 - (ii) personnel department; and
 - (iii) internal audit department;
 - (f) any individual who has been specifically represented to the board by a licensee, officer or director thereof as being important or necessary to the operation of the bingo establishment;
 - (g) all persons who individually or as part of a group formulate management policy; and
 - (h) any job position or individual who, upon written notification by the board, is considered to be a key position or employee for purposes of these Regulations.

- (2) For the purpose of sub-regulation (1)(h), the board shall not be restricted by the title of the job performed but shall consider the functions and responsibilities of the person or position involved in making its decision as to key employee status.
- (3) Subject to section 107 of the Act, a licensee shall not employ a key employee until such time as the prospective employee has applied for and been granted a certificate of approval as a key employee by the board.
- (4) A licensee shall, within 14 (fourteen) days of termination of the employment of a key employee, notify the board in writing of such termination and the reasons therefor.

62 Other bingo employees

- (1) The board may, upon written notification, declare any occupation to be a bingo occupation for purposes of these Regulations, including, but not limited to bingo callers, bingo agents, bingo cashiers, accounting personnel and computer operators.
- (2) Subject to section 107 of the Act, a licensee shall not employ anybody in a bingo occupation until such time as the prospective employee has applied for and been granted a certificate of approval as a bingo employee by the board.
- (3) A licensee shall, within 14 (fourteen) days of termination of the employment of a bingo employee, notify the board in writing of such termination and the reasons therefor.
- (4) Every bingo employee shall have his or her certificate of approval as issued by the board available for inspection at all times when he or she is on duty in such a manner as the board may determine.

63 Copy of certificate of approval on employment record

A licensee shall, in respect of every employee required to hold a certificate of approval in terms of this Chapter, keep a copy of such employee's certificate on the employment record of that employee.

64 Suspension or revocation of certificate of approval

If an employee required holding a certificate of approval in terms of this Chapter has his or her certificate of approval

- (a) withdrawn by the board, the licensee by whom such a person is employed shall summarily terminate the employment of that person in any capacity in which he or she is required to hold such a certificate of approval;
- (b) suspended by the board, the licensee by whom such a person is employed shall summarily suspend the employment of that person in any capacity in which he or she is required to hold such a certificate, for the period of suspension by the board.

CHAPTER 15

Stakes, prizes and promotions

65 Stakes

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

66 Prizes

The return to players in any game of bingo shall not be less than 70 % (seventy per cent) of the total amount staked by players on that game.

CHAPTER 16

Credit Extension

67 Credit extension prohibited

- (1) A licensee shall not, directly or indirectly, whether in his or her own name or that of a third party, extend credit in any form whatsoever to any patron, or assist any patron in obtaining credit, for the purpose of participating in a game of bingo.
- (2) Failure by a licensee to deposit for collection a negotiable instrument by the next banking day following receipt shall be deemed to be an extension of credit.

CHAPTER 17

Fees and Levies

68 Application fees

The following non-refundable application fees shall accompany applications:

| Type of application | Fee R |
|---------------------------------------------------------------------------------------------|------------------|
| (a) Application for bingo licence/transfer of licence - R100 per seat with a maximum fee of | 55 000,00 |
| (b) Amendment of licence | 2 750,00 |
| (c) Consent for procurement of financial interest in the business of the licensee | 5 500,00 |
| (d) Certificate of approval: key employee | 1 100,00 |
| (e) Certificate of approval: bingo employee | 275,00 |
| (f) Certificate of suitability | 2 750,00 |

69 Licence fees

- (1) Every holder of a bingo licence shall pay a licence fee of R55 per licensed seat for every year or part of a year ending on 31 March.
- (2) The licence fee payable in terms of sub-regulation (1) shall be paid to the board on issuing of the licence and thereafter before 1 April of every year.
- (3) If the licence fee payable in terms of sub-regulation (1) is not paid in accordance with sub-regulation (2), the licensee shall pay a penalty on the amount of any licence fee outstanding

at a rate of 10 % (ten per cent) of the licence fee for each week or part of a week during which the licence fee remains unpaid.

70 Gambling levy

- (1) The gambling levy payable in terms of section 2 of the Free State Gambling Levies Act 1 of 2010, shall be paid at the rate of 10 % (ten per cent) of the licensee's bingo revenue.
- (2) For the purpose of sub-regulation (1), bingo revenue means the total amount of money staked by players on a bingo game, including participation fees, less the total amount returned to players by way of prizes.

CHAPTER 18

Registration and Maintenance of Equipment

71 Equipment to be of approved type and registered

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

- (a) has been supplied by a licensed manufacturer or supplier;
- (b) is identical in all material aspects to equipment approved by the board for distribution by the manufacturer or supplier; and
- (c) has on application in the manner and form determined by the board, been separately registered by the board.

72 Maintenance of registered equipment

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

73 Records to be kept by licensee

A licensee shall keep such records in respect of equipment contemplated in regulation 71 as the board may require or approve.

CHAPTER 19

Minimum Cash Requirements

74 Minimum cash requirements

- (1) Each bingo licensee shall maintain, in such manner and for such amount as the board may approve or require, cash or cash equivalents in an amount sufficient to reasonably protect the licensee's patrons against defaults in gaming debts owed by the licensee.
- (2) The board shall distribute to licensees and make available to all interested persons a formula by which licensees determine the minimum cash requirements of this regulation.

- (3) If at any time the licensee's available cash or cash equivalents are less than the amount required by this regulation, the licensee must immediately notify the board of this deficiency.
- (4) Failure to maintain the minimum cash required by this regulation, or a higher bankroll as required by the board pursuant to this regulation, or failure to notify the board of any deficiencies, is an offence.

PART 4 - LIMITED GAMING MACHINE OPERATOR LICENCES

CHAPTER 20

Authorised Activities and General Requirements

75 Authorised activities

The holder of a gaming machine operator licence shall be authorised to own, physically place and operate gaming machines on licensed gaming machine site premises.

76 Gaming machine operator licensee and gaming machine site licensee to enter into written agreement

The holder of a gaming machine operator licence and the holder of a gaming machine site licence shall enter into a written agreement to place the gaming machines for play at the licensed premises of the gaming machine site licensee, which agreement shall state the method of distribution of gross gambling revenue, after payment of applicable gambling levies.

77 Electronic monitoring requirements

- (1) The holder of a gaming machine operator licence shall have a central computer or such other monitoring system as approved by the board, connected to all gaming machines exposed for play to record and monitor the activities of such machines.
- (2) A licensee may not alter or modify the approved monitoring system contemplated in sub-regulation (1), without the prior approval of the board.
- (3) The monitoring system contemplated in sub-regulation (1) shall provide either
 - (a) online, realtime monitoring and data acquisition capability in the format and media approved by the board;
 - (b) dialup monitoring and data acquisition capability in the format and media approved by the board; or
 - (c) such other monitoring and data acquisition capability, as the board may determine in the conditions of the licence.
- (4) The computer or monitoring system required by sub-regulation (1) shall be designed and operated to perform and report functions relating to gaming machine meters and other functions as follows:
 - (a) record the number and total value of tokens or coins placed in each gaming machine for the purpose of activating play;

- (b) record the number and total value of tokens or coins deposited in the drop box of each gaming machine;
 - (c) record the number and total value of tokens or coins automatically paid out by each gaming machine;
 - (d) record the number and total value of tokens or coins to be paid manually;
 - (e) identify any gaming machine taken offline or placed online of the computer monitoring system, including date, time and gaming machine identification number;
 - (f) be capable of reporting any revenue transactions not directly monitored by token or coin meter, such as tokens or coins placed in the gaming machine as a result of a hopper fill; and
 - (g) record such other information as the board may require.
- (5) A gaming machine operator licensee shall store, in machine-readable format, all information required by sub-regulation (4), for a period of 5 (five) years, in addition to such other documentation as the board may require.
- (6) The central computer communications system contemplated in sub-regulation (1) must be used exclusively for the operation of the gaming machine operator's gaming machine network and must be capable of disabling any gaming machine from play which does not comply with the provisions of the Act or these Regulations.

CHAPTER 21

Employee Registration

79 Key employees

- (1) The following employees of a gaming machine operator licensee are classified as key employees and are required to hold certificates of approval in accordance with section 100(1) of the Act:
- (a) the senior management of the licensee;
 - (b) if the licensee is a corporate body, every director, officer or person holding an equivalent position, of such corporate body;
 - (c) any individual who has been specifically represented to the board by the licensee, officer or director thereof as being important or necessary to the operation of the licensee;
 - (d) all persons who individually or as part of a group formulate management policy; and
 - (e) any job position or individual who, upon written notification by the board, is considered to be a key position or employee for purposes of these Regulations.
- (2) For the purpose of sub-regulation (1)(e), the board shall not be restricted by the title of the job performed but shall consider the functions and responsibilities of the person or position involved in making its decision as to key employee status.
- (3) Subject to section 107 of the Act, a licensee shall not employ a key employee until such time as the prospective employee has applied for and been granted a certificate of approval by the board as a key employee.
- (4) A licensee shall, within 14 (fourteen) days of termination of the employment of a key employee, notify the board in writing of such termination and the reasons therefor.

79 Other gaming employees

- (1) The board may, upon written notification, declare any occupation to be a gaming occupation for purposes of these Regulations, including, but not limited to, counters, collectors, accounting personnel and computer operators.
- (2) Subject to section 107 of the Act, a licensee shall not employ anybody in a gaming occupation until such time as the prospective employee has applied for and been granted a certificate of approval as a gaming employee by the board.
- (3) A licensee shall, within 14 (fourteen) days of termination of the employment of a gaming employee, notify the board in writing of such termination and the reasons therefor.
- (4) Every gaming employee shall have his or her certificate of approval as issued by the board available for inspection at all times when he or she is on duty in such a manner as the board may determine.

80 Copy of certificate of approval on employment record

A licensee shall, in respect of every employee required to hold a certificate of approval in terms of this Chapter, keep a copy of such employee's certificate on the employment record of that employee.

81 Suspension or revocation of certificate of approval

If an employee required holding a certificate of approval in terms of this Chapter has his or her certificate of approval

- (a) withdrawn by the board, the licensee by whom such a person is employed shall summarily terminate the employment of that person in any capacity in which he or she is required to hold such a certificate;
- (b) suspended by the board, the licensee by whom such a person is employed shall summarily suspend the employment of that person in any capacity in which he or she is required to hold such a certificate, for the period of suspension by the board.

CHAPTER 22

Stakes and Prizes

82 Maximum stake

- (1) The maximum amount that may be charged in total to enable a person to play all paylines of a game on a gaming machine shall be R5,00, subject to the conditions of the licence.
- (2) For the purpose of sub-regulation (1), a game shall include any feature games triggered by a winning event in the primary game, but excludes any doubleup games.

83 Maximum prizes

- (1) The maximum amount, or the value of any other prize, which may be paid out in respect of a game played on, or the operation of, a gaming machine shall be R500,00, subject to the conditions of the licence.
- (2) For the purposes of sub-regulation (1), a game shall include any feature games or double-up games triggered by a winning event in the primary game.
- (3) A double-up option will not be available if the prize to be doubled exceeds R250, 00.

84 Prizes to be displayed

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

85 Return to public

Gaming machines exposed for play must have a theoretical and demonstrable return to the public of not less than 75 % (seventy five per cent).

CHAPTER 23

Credit Extension

86 Credit extension prohibited

- (1) A licensee shall not, directly or indirectly, whether in his or her own name or that of a third party, extend credit in any form whatsoever to any patron, or assist any patron in obtaining credit, for the purpose of playing on, or operating, a gaming machine.
- (2) Failure by a licensee to deposit for collection a negotiable instrument by the next banking day following receipt shall be deemed to be an extension of credit.

CHAPTER 24

Registration and Maintenance of Gaming Machines

87 Gaming machines to be registered

A licensee shall not keep or maintain any gaming machine or equipment, which has not, on application in the manner and form determined by the board, been separately approved and registered by the board.

88 Maintenance of gaming machines

A licensee shall not alter the operation of a registered gaming machine or equipment without the prior approval of the board and shall only make use of a holder of a maintenance licence to maintain the gaming machines and equipment in a suitable condition: Provided that certain basic maintenance functions as determined by the board may be carried out by the licensee.

89 Records to be kept by licensee

A licensee shall keep such records in respect of gaming machines and equipment contemplated in regulation 87 as may be determined by the board, including, but not limited to, manufacturer, date of purchase, date of removal, machine serial number, model number and board approval number.

CHAPTER 25

Fees and Levies

90 Application fees

The following non-refundable application fees shall accompany applications:

| Type of application | Fee R |
|-----------------------------------------------------------------------------------|-----------|
| (a) Application for gaming machine operator licence/ transfer of licence | 55 000,00 |
| (b) Consent for procurement of financial interest in the business of the licensee | 5 500,00 |
| (c) Amendment of licence | 2 750,00 |
| (d) Certificate of approval: key employee | 1 100,00 |
| (e) Certificate of approval: gaming employee | 275,00 |
| (f) Certificate of suitability | 2 750,00 |

91 Licence fees

- (1) Every holder of a gaming machine operator licence shall pay a licence fee of R27500,00 plus R275 per gaming machine authorised in terms of the licence, for every year or part of a year ending on 31 March.
- (2) The licence fee payable in terms of sub-regulation (1) shall be paid to the board on issuing of the licence and thereafter before 1 April of every year.
- (3) If the licence fee payable in terms of sub-regulation (1) is not paid in accordance with sub-regulation (2), the licensee shall pay a penalty on the amount of any licence fee outstanding at a rate of 10 % (ten per cent) of the licence fee for each week or part of a week during which the licence fee remains unpaid.

92 Gambling levy

The gambling levy payable in terms of section 2 of the Free State Gambling Levies Act 1 of 2010, shall be paid at the rate of 12 % (twelve per cent) of the licensee's recorded gross gaming revenue.

PART 5 - LIMITED GAMING MACHINE SITE LICENCES

CHAPTER 26

Stakes and Prizes

93 Maximum stake

- (1) The maximum amount that may be charged in total to enable a person to play all paylines of a game on a gaming machine shall be R5,00, subject to the conditions of the licence concerned.
- (2) For the purpose of sub-regulation (1), a game shall include any feature games triggered by a winning event in the primary game, but excludes any doubleup games.

94 Maximum prizes

- (1) The maximum amount, or the value of any other prize, which may be paid out in respect of a game played on, or the operation of, a gaming machine shall be R500,00, subject to the conditions of the licence concerned.
- (2) For the purpose of sub-regulation (1), a game shall include any feature games or doubleup games triggered by a winning event in the primary game.
- (3) A doubleup option will not be available if the prize to be doubled exceeds R250,00, or half the amount of the prize allowed in terms of the licence.

95 Prizes to be displayed

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

96 Return to public

Gaming machines exposed for play must have a theoretical and demonstrable return to the public of not less than 75 % (seventy five per cent).

CHAPTER 26A

Amusement games and machines

- 96A
- (1) For the purposes of the Act, the playing of an amusement game shall not constitute gambling.
 - (2) An amusement game referred to in sub-regulation (1) must not –
 - (a) be similar to, or derived from, a gambling game other than bingo;
 - (b) offer a cash prize or a combination of a cash prize with any other prize; or
 - (c) offer a non-cash prizes with a retail value exceeding twenty-five rand.

- (3) An amusement machine must not be derived or converted from a gambling machine of the type ordinarily found in a casino.

CHAPTER 27

Credit Extension

97 Credit extension prohibited

- (1) A licensee shall not, directly or indirectly, whether in his or her own name or that of a third party, extend credit in any form whatsoever to any patron, or assist any patron in obtaining credit, for the purpose of playing on, or operating, a gaming machine.
- (2) Failure by a licensee to deposit for collection a negotiable instrument by the next banking day following receipt shall be deemed an extension of credit.

CHAPTER 28

Registration and Maintenance of Gaming Machines

98 Applicability of Chapter

This Chapter shall not be applicable to a licensee who exposes for play only gaming machines operated by the holder of a gaming machine operator licence.

99 Gaming machines to be registered

A licensee shall not keep or maintain any gaming machine, which has not, on application in the manner and form determined by the board, been separately approved and registered by the board.

100 Maintenance of gaming machines

A licensee shall not after the operation of a registered gaming machine without the prior approval of the board and shall only use the services of the holder of a maintenance licence to maintain the gaming machines in a suitable condition: Provided that certain basic maintenance functions as determined by the board may be carried out by the licensee.

101 Records to be kept by licensee

A licensee shall keep such records in respect of gaming machines contemplated in regulation 99 as may be determined by the board including, but not limited to, manufacturer, date of purchase, date of removal, machine serial number, model number and board approval number.

CHAPTER 29

Fees and Levies

102 Applicability of Chapter

The provisions of regulation 105 shall not be applicable to a licensee who exposes for play only gaming machines operated by the holder of a gaming machine operator licence.

103 Application fees

The following non-refundable application fees shall accompany applications:

| Type of application | Fee R |
|---------------------------------------------------------------------------------------------|----------|
| (a) Application for gaming machine site licence/ transfer of licence 5 500,00 | |
| (b) Amendment of licence | 1 100,00 |
| (c) Removal of business to other premises | 1 100,00 |
| (d) Consent for procurement of financial interest in the business of the licensee 100,00 | 1 |
| (e) Certificate of suitability | 550,00 |

104 Licence fees

- (1) Every holder of a gaming machine site licence shall pay a licence fee of R2 750,00 plus R275,00 per registered gaming machine, for every year or part of a year ending on 31 March.
- (2) The licence fee payable in terms of sub-regulation (1) shall be paid to the board on issuing of the licence and thereafter before 1 April of every year.
- (3) If the licence fee payable in terms of sub-regulation (1) is not paid in accordance with sub-regulation (2), the licensee shall pay a penalty on the amount of any licence fee outstanding at a rate of 10 % (ten per cent) of the licence fee for each week or part of a week during which the licence fee remains unpaid.

105 Gambling levies

The gambling levy payable in terms of section 2 of the Free State Gambling Levies Act 1 of 2010 shall be paid at the rate of 12 % (twelve per cent) of the licensee's recorded gross gaming revenue.

PART 6 - MANUFACTURER, MAINTENANCE OR SUPPLIER LICENCES

CHAPTER 30

Authorised Activities

106 Authorised activities to be contained in conditions of licence

The conditions of the licence of a licensee shall state the activities authorised by the licence, which may be any or all of the following:

- (a) manufacturing;
- (b) assembly;
- (c) programming or programme duplication;
- (d) distribution;
- (e) repairing;
- (f) maintaining; or
- (g) any other related activity authorised by the board, in respect of any approved gaming or associated equipment, device or game.

CHAPTER 31

Approval of Equipment, Devices and Games

107 Equipment, devices and games to be approved

- (1) A licensee
 - (a) shall not distribute any gaming or associated equipment, device or game unless it has, on application in the manner and form determined by the board, been approved by the board; and
 - (b) shall not maintain or repair any equipment or device that is not registered with the board in terms of these Regulations.
- (2) Only equipment, devices and games that meet the published technical standards of the board, shall be approved for distribution.
- (3) The board may require submission of not more than 2 (two) working models of any new equipment, device or game to the designated testing laboratory of the board for review and inspection.
- (4) The licensee seeking approval of the device shall pay to the designated testing laboratory the cost of inspection and investigation.
- (5) The testing laboratory may dismantle the models and may destroy components in order to fully evaluate the equipment, device or game.
- (6) The board may require that the licensee seeking approval of the device provides specialised equipment or the services of an independent technical expert to evaluate the device.

108 Alterations and modifications prohibited

A licensee shall not alter the operation of, or modify any gaming or associated device, equipment or game without prior written approval of the board.

109 Summary suspension of approval

- (1) The board may issue a summary order, with or without notice to the relevant licensees, suspending approval of a gaming device if it determines that a device does not operate as approved by the board, or if the manufacturer misrepresented the manner in which the gaming device operates.
- (2) After issuing an order in terms of sub-regulation (1), the board may seal or seize all models of that gaming device.

CHAPTER 32

Employee Registration

110 Key employees

- (1) The following employees of a manufacturer, maintenance or supplier licensee are classified as key employees and are required to hold certificates of approval in accordance with section 100(1) of the Act:
 - (a) the senior management of the licensee;
 - (b) if the licensee is a corporate body, every director, officer or person holding an equivalent position, of such corporate body;
 - (c) any individual who has been specifically represented to the board by the licensee, officer or director thereof as being important or necessary to the operation of the licensee;
 - (d) all persons who individually or as part of a group formulate management policy; and
 - (e) any job position or individual who, upon written notification by the board, is considered to be a key position or employee for purposes of these Regulations.
- (2) For the purpose of sub-regulation (1)(e), the board shall not be restricted by the title of the job performed but shall consider the functions and responsibilities of the person or position involved in making its decision as to key employee status.
- (3) Subject to section 107 of the Act, a licensee shall not employ a key employee until such time as the prospective employee has applied for and been granted a certificate of approval as a key employee by the board.
- (4) A licensee shall, within 14 (fourteen) days of termination of the employment of a key employee, notify the board in writing of such termination and the reasons therefor.

111 Service and manufacturing employee training programmes

Every licensee authorised to manufacture, maintain or supply gaming machines or associated equipment shall submit a training programme for the manufacturing, service and maintenance of such machines and equipment for approval by the board, including an outline of the training curriculum, a list of instructors and their qualifications and a copy of the instruction materials.

112 Registration of service and manufacturing employees

- (1) Upon the successful completion of the training programme referred to in regulation 111 by a service or manufacturing employee, such employee shall, in the manner and form determined by the board, apply to the board for a certificate of approval as a service or manufacturing employee.
- (2) A licensee shall not allow any employee to manufacture, service, maintain or repair, except during a training programme held in terms of regulation 111, any gaming machine or equipment until such time as the employee has applied for and been granted a certificate of approval as a service or manufacturing employee by the board.

- (3) A licensee shall, within 14 (fourteen) days of termination of the employment of a service or manufacturing employee, notify the board in writing of such termination and the reasons therefor.
- (4) Every service or manufacturing employee shall have his or her certificate of approval as issued by the board on his or her person and available for inspection at all times when he or she is on duty in such a manner as the board may determine.

113 Copy of certificate of approval on employment record

A licensee shall in respect of every employee required to hold a certificate of approval in terms of this Chapter, keep a copy of such employee's certificate on the employment record of that employee.

114 Suspension or withdrawal of certificate of approval

If an employee required to hold a certificate of approval in terms of this Chapter has his or her certificate of approval

- (a) withdrawn by the board, the licensee by whom such a person is employed shall summarily terminate the employment of that person in any capacity in which he or she is required to hold such a certificate;
- (b) suspended by the board, the licensee by whom such a person is employed shall summarily suspend the employment of that person in any capacity in which he or she is required to hold such a certificate, for the period of suspension by the board.

CHAPTER 33

Records and Returns

115 Distribution records

A licensee shall keep written distribution records in respect of gaming devices or equipment reflecting

- (a) the date of distribution;
- (b) the name, address and licence number of the recipient;
- (c) a description and number of devices or equipment supplied;
- (d) the board approval number;
- (e) the serial numbers of devices or equipment supplied; and
- (f) such further information as the board may require, and shall immediately provide such records to the board on request.

116 Maintenance and repair records

A licensee shall keep written records of all repairs made to gaming devices or equipment reflecting

- (a) the date of repairs;
- (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, and shall immediately provide such records to the board on request.

117 Stock records

A licensee shall keep written continuous stock records in respect of gaming devices or equipment reflecting

- (a) opening stock on hand;
- (b) stock purchased or manufactured;
- (c) distributions; and
- (d) closing stock on hand, and shall provide such records to the board immediately upon its request.

CHAPTER 34

Fees

118 Application fees

The following non-refundable application fees shall accompany applications:

| Type of application | Fee R |
|-----------------------------------------------------------------------------------|-----------|
| (a) Application for manufacturer of gaming machines licence | 55 000,00 |
| (b) Application for manufacturer of any other gaming equipment licence | 11 000,00 |
| (c) Application for maintenance or supplier licence | 5 500,00 |
| (d) Amendment of licence | 2 750,00 |
| (e) Consent for procurement of financial interest in the business of the licensee | 5 500,00 |
| (f) Certificate of approval: key employee | 1 100,00 |
| (g) Certificate of approval: service or manufacturing employee | 275,00 |
| (h) Certificate of suitability | 2 750,00 |

119 Licence fees

- (1) Every holder of
 - (a) a manufacturer of gaming machines licence shall pay a licence fee of R27500,00;
 - (b) a manufacturer of any other gaming equipment licence shall pay a licence fee of R5500,00; and
 - (c) a maintenance or supplier licence shall pay a licence fee of R1 100,00, for every year or part of a year ending on 31 March.
- (2) The licence fee payable in terms of sub-regulation (1) shall be paid to the board on issuing of the licence and thereafter before 1 April of every year.
- (3) If the licence fee payable in terms of sub-regulation (1) is not paid in accordance with sub-regulation (2), the licensee shall pay a penalty on the amount of any licence fee outstanding

at a rate of 10 % (ten per cent) of the licence fee for each week or part of a week during which the licence fee remains unpaid.

PART 6A - RACE-MEETING LICENCES

CHAPTER 34A

RACE-MEETINGS

119A Requirements for Race-Meeting licence

No Race-Meeting licence shall be granted in terms of section 76 of the Act unless

- (a) the applicant is an association or body of persons, whether incorporated or unincorporated, constituted the main object being the holding of horse races;
- (b) the memorandum and articles of association or the constitution of the applicant and the rules and regulations according to which Race-Meetings will be held by that applicant, have been approved by the board;
- (c) the board is satisfied that proper provision has been made
 - (i) for the control of the Race-Meetings and the totalizator to be held or conducted and the bookmakers who will operate, and for the supervision of all betting activities, on the racecourse concerned; and
 - (ii) for the accommodation and convenience of the public during Race-Meetings on the racecourse concerned.

119B Conditions applicable to Race-Meeting licences

Every Race-Meeting licence is issued subject to the condition that the holder thereof

- (a) shall notify the board of any amendment to its memorandum and articles of association or its constitution; and
- (b) shall forthwith notify the board when a Race-Meeting is postponed or cancelled.

119 C - Deleted

CHAPTER 34B

Fees and levies

119D Application fees

The following non-refundable application fees shall accompany applications:

| Type of application | Fee R |
|------------------------------------------------------------------------------|------------------|
| (a) Application for Race-Meeting licence | 55 000,00 |
| (b) Application for special licence to hold race meeting | 110,00 |
| (c) Transfer of licence/consent for procurement of financial interest in the | |

| | |
|--------------------------|----------|
| licensee's business | 2 750,00 |
| (d) Amendment of licence | 2 750,00 |

119E Licence fees

- (1) Every holder of a Race-Meeting licence shall pay a licence fee of R27 500,00 for every year or part of a year ending on 31 March.
- (2) The licence fee payable in terms of sub-regulation (1) shall be paid to the board on issuing of the licence and thereafter before 1 April of every year.
- (3) If the licence fee payable in terms of sub-regulation (1) is not paid in accordance with sub-regulation (2), the licensee shall pay a penalty on the amount of any licence fee outstanding at a rate of 10 % (ten per cent) of the licence fee for each week or part of a week during which the licence fee remains unpaid.

PART 6B - TOTALIZATOR LICENCES

CHAPTER 34C

Employee registration

119F Key employees

- (1) The following employees of a totalizator licensee are classified as key employees and are required to hold certificates of approval in accordance with section 100(1) of the Act
 - (a) the senior management of the licensee;
 - (b) if the licensee is a corporate body, every director, officer or person holding an equivalent position, of such corporate body;
 - (c) any individual who has been specifically represented to the board by a licensee, officer or director thereof as being important or necessary to the operation of the totalizator business;
 - (d) all persons who individually or as part of a group formulate management policy; and
 - (e) any job position or individual who, upon written notification by the board, is considered to be a key position or employee for purposes of these Regulations.
- (2) For the purpose of sub-regulation (1)(e), the board shall not be restricted by the title of the job performed but shall consider the functions and responsibilities of the person or position involved in making its decision as to key employee status.
- (3) Subject to section 107 of the Act, a licensee shall not employ a key employee until such time as the prospective employee has applied for and been granted a certificate of approval as a key employee by the board.
- (4) A licensee shall, within 14 (fourteen) days of termination of the employment of a key employee, notify the board in writing of such termination and the reasons therefor.

119G Copy of certificate of approval on employment record

A licensee shall in respect of every employee required to hold a certificate of approval in terms of this Chapter, keep a copy of such employee's certificate on the employment record of that employee.

119H Suspension or withdrawal of certificate of approval

If an employee required to hold a certificate of approval in terms of this Chapter has his or her certificate of approval

- (a) withdrawn by the board, the licensee by whom such a person is employed shall summarily terminate the employment of that person in any capacity in which he or she is required to hold such a certificate;
- (b) suspended by the board, the licensee by whom such a person is employed shall summarily suspend the employment of that person in any capacity in which he or she is required to hold such a certificate, for the period of suspension by the board.

CHAPTER 34D

Credit extension

119I Credit extension

- (1) A licensee may extend credit, subject to such limits as may be determined by the board, to qualified patrons: Provided that prior to the extension of credit, the licensee shall obtain and document in its records, sufficient information regarding the patron's identity, credit history and financial capabilities in terms of the credit being requested, in such manner as required in the rules of the board and the licensee's approved system of internal control.
- (2) All credit extensions shall be evidenced by a credit instrument signed by the patron receiving the credit at the time of the credit extension and shall contain sufficient information to allow for collection of the debt and such other information as the board may require.
- (3) Licensees shall pursue collection of all credit instruments in accordance with the rules of the board and the licensee's approved system of internal control.
- (4) All disputes in respect of the nonpayment of credit instruments shall be subject to Chapter 43 of these Regulations.

CHAPTER 34E

Fees and levies

119J Application fees

The following non-refundable application fees shall accompany applications:

| Type of application | Fee R |
|-----------------------------------------------------------------------------------|-----------|
| (a) Application for totalizator licence/transfer of licence | 55 000,00 |
| (b) Consent for procurement of financial interest in the business of the licensee | 1 100,00 |
| (c) Certificate of approval: key employee | 1 100,00 |

119K Licence fees

- (1) Every holder of a totalizator licence shall pay a licence fee of R27 500,00 for every year or part of a year ending on 31 March.
- (2) The licence fee payable in terms of sub-regulation (1) shall be paid to the board on issuing of the licence and thereafter before 1 April of every year.
- (3) If the licence fee payable in terms of sub-regulation (1) is not paid in accordance with sub-regulation (2), the licensee shall pay a penalty on the amount of any licence fee outstanding at a rate of 10 % (ten per cent) of the licence fee for each week or part of a week during which the licence fee remains unpaid.

119L Gambling and other levies

(1) Every holder of a totalizator licence and TAB shall, in respect of a totalizator conducted by such a holder or TAB, as the case may be, pay a gambling levy in terms of section 2 of the Free State Gambling Levies Act 1 of 2010

- (a) on the gross takings of that totalizator, calculated at the rate of 3 % (three percent) of the gross takings of such totalizator; and
- (b) on the undistributed takings and the unclaimed dividends of that totalizator, calculated at the rate of 10 % (ten per cent) on the undistributed takings and unclaimed dividends respectively.

(2) For the purpose of sub-regulation (1)

- (a) undistributed takings refer to that part of the gross takings of a totalizator which are undistributed because
 - (i) no fraction of 10c has been declared as a dividend payable to punters on such takings; or
 - (ii) no ticket entitling the holder thereof to a refund of the amount staked by him or her was tendered for the refund of such amount;
- (b) unclaimed dividends refer to that part of the gross takings of a totalizator which have not been claimed within a period of 3 (three) months after they were declared as dividends.

PART 6C - BOOKMAKERS' LICENCES

CHAPTER 34F

Bookmakers

119M Requirements for bookmaker's licence

A bookmaker's licence referred to in section 78 of the Act, shall not be granted except to a person who

- (a) in the opinion of the board is a suitable person and has the financial means for carrying on the business of a bookmaker; and

CHAPTER 34G

Employee registration

119N Bookmakers' managers

- (1) Subject to the provisions of this regulation, a licensed bookmaker may employ a person to manage his or her bookmaker's business.
- (2) The person contemplated in sub-regulation (1) shall be known as a bookmaker's manager.
- (3) Any person who desires to be registered as a bookmaker's manager shall apply in writing to the board in such form and furnishing such information, including full particulars of any criminal record, as the board may determine.
- (4) An applicant for registration as a bookmaker's manager
 - (a) shall not have any interest, other than that of an employee, in the business of the bookmaker or bookmakers intending to employ him or her;
 - (b) must, in the opinion of the board
 - (i) be of sound character;
 - (ii) have a sound knowledge of bookmaking;
 - (iii) have a good financial record; and
 - (c) shall pay such registration fee as the board may determine.
- (5) A person registered as a bookmaker's manager
 - (a) may be employed to manage only one bookmaker's business at any time;
 - (b) may only be employed as such in another bookmaker's business with the prior written approval of the board;
- (6) The board may at any time, and for any reason the board deems sufficient, cancel the registration of a bookmaker's manager.

CHAPTER 34H

Credit extension

119O Credit extension

- (1) A bookmaker may, subject to sub-regulation (2), extend credit.
- (2) The board may set limits on and determine procedures for, credit extension by licensed bookmakers.

CHAPTER 34I

Fees and levies

119P Application fees

The following non-refundable application fees shall accompany applications:

Type of application Fee

| | R |
|-----------------------------------------------------------------------------------|----------|
| (a) Application for bookmaker's licence | 5 500,00 |
| (b) Application for transfer of licence | 2 200,00 |
| (c) Consent for procurement of financial interest in the business of the licensee | 2 200,00 |
| (d) Amendment of licence | 550,00 |
| (e) Bookmaker's manager registration | 275,00 |
| (f) <u>Application for</u> Removal of licence from one premises to another | 500,00 |

119QLicence fees

- (1) Every holder of a bookmaker's licence shall pay a licence fee of R1 100,00 for every year or part of a year ending on 31 March.
- (2) The licence fee payable in terms of sub-regulation (1) shall be paid to the board on issuing of the licence and thereafter before 1 April of every year.
- (3) If the licence fee payable in terms of sub-regulation (1) is not paid in accordance with sub-regulation (2), the licensee shall pay a penalty on the amount of any licence fee outstanding at a rate of 10 % (ten per cent) of the licence fee for each week or part of a week during which the licence fee remains unpaid.

119R Gambling and other levies

- (1) Every licensed bookmaker shall deduct from the amount (excluding the amount staked) payable to a person in respect of a winning bet made with such bookmaker, a gambling levy in terms of section 2 of the Free State Gambling Levies Act 1 of 2010, as well as the levies referred to in sub-regulation (2), calculated at such percentage and in respect of such bets as set out in regulation 119S.
- (2) Every person who has made a winning bet with a licensed bookmaker shall pay on the amount on which the gambling levy referred to in sub-regulation (1), is payable, levies for

the benefit of the board and the holder of a race meeting licence, as the case may be, calculated at such percentage and in respect of the bets referred to in regulation 119S.

- (3) The provisions of regulations 122 and 123 shall apply *mutatis mutandis* to the payment of the levies referred to in sub-regulation (2).

119S Calculation of gambling and other levies on betting transactions with licensed bookmaker

The gambling and other levies payable in terms of regulation 119R on betting transactions with a licensed bookmaker shall be calculated

- (a) in respect of bets entered into on a licensed racecourse, at the rate indicated hereunder opposite the type of bet mentioned:

| Type of bet | Gambling levy in terms of regulation 119R(1) | Sport Development Fund levy in terms of regulation 119R(2) | Board levy in terms of regulation 119R(2) | Levy payable to the holder of a Race-Meeting licence in terms of regulation 119R(2) | Total |
|----------------------------|----------------------------------------------|------------------------------------------------------------|-------------------------------------------|-------------------------------------------------------------------------------------|-------|
| Horseracing | 3 % | - | - | 3 % | 6 % |
| Other event of contingency | 3 % | 1 % | 1 % | 1 % | 6 % |

- (b) in respect of bets entered into elsewhere than on a licensed racecourse, at the rate indicated hereunder opposite the type of bet mentioned:

| Type of bet | Gambling levy in terms of regulation 119R(1) | Sport Development Fund levy in terms of regulation 119R(2) | Board levy in terms of regulation 119R(2) | Levy payable to the holder of a Race-Meeting licence in terms of regulation 119R(2) | Total |
|----------------------------|----------------------------------------------|------------------------------------------------------------|-------------------------------------------|-------------------------------------------------------------------------------------|-------|
| Horseracing | 3 % | - | - | 3 % | 6 % |
| Other event of contingency | 3 % | 1 % | 2 % | - | 6 % |

CHAPTER 34J

Tattersalls

119T Board may establish tattersalls

- (1) The board may establish a betting exchange at any place it may deem expedient where bets on the result of any event or contingency, on which it is lawful to bet in terms of the Act, may be made and settled, and such exchange shall be known as a tattersalls.
- (2) A tattersalls which existed immediately prior to the commencement of this regulation, shall be deemed to have been established under sub-regulation (1).

119U Revocation of establishment

The board may at any time revoke the establishment of a tattersalls.

119V Control of tattersalls

The board shall control all tattersalls.

119W Number of cubicles in tattersalls

- (1) The board shall in respect of every tattersalls determine the number of cubicles which may be erected thereat, and the board may at any time increase or decrease the number so determined or approve the relocation of one or more cubicles in a tattersalls to a new tattersalls in the area which, in the opinion of the board, is serviced by the existing tattersalls.
- (2) The number of cubicles occupied in a tattersalls immediately prior to the date of commencement of this regulation, shall be deemed to be the number of cubicles determined in terms of sub-regulation (1) for the tattersalls concerned.

CHAPTER 34K

Number of stands on racecourse

119X Board to determine number of stands

- (1) The board shall in respect of every licensed racecourse determine the number of stands, which may be provided thereon, and the board may at any time, after consultation with the racing club concerned and the relevant Bookmakers Association, increase or decrease the number so determined.
- (2) The number of stands determined on a licensed racecourse prior to the date of commencement of this regulation, shall be deemed to be the number of stands determined in terms of sub-regulation (1) for the racecourse concerned.

CHAPTER 34L

Allocation of cubicles and stands

119Y Board to allocate cubicles and stands

- (1) The board may, after consultation with the relevant racing club and Bookmakers Association, as the case may be, allocate
 - (a) in the case of a tattersalls, a cubicle; and
 - (b) in the case of a racecourse, a stand, to a licensed bookmaker to carry on his or her business.
- (2) A cubicle or stand occupied by a licensed bookmaker immediately prior to the date of commencement of this regulation shall be deemed to have been allocated to him or her in terms of sub-regulation (1).

119Z Board may sell cubicle or stand

Where the number of cubicles in a tattersalls or stands on a racecourse are increased in terms of regulation 119W or 119X, or where an existing cubicle or stand for whatever reason becomes vacant, or where a new tattersalls is established in terms of regulation 119T, which is not a relocation contemplated in regulation 119W, the board may sell the right to carry on the business of a bookmaker in such cubicle or on such stand, and a person who submits an offer shall furnish such guarantees for the price offered as the board may require and shall simultaneously apply for a bookmaker's licence contemplated in section 78 of the Act.

PART 7 - SPECIAL LICENCES

CHAPTER 35

Special Licences

120 Authorised activities

- (1) The holder of a special licence shall be authorised to conduct in or on the licensed premises for the period of time specified in the licence, such gambling activities as are specified in the licence.
- (2) A special licence shall be subject to such conditions as the board may determine.

CHAPTER 36

Fees and Levies

121 Application fees, licence fees and gambling levies

- (1) Every applicant for a special licence shall pay a non-refundable fee determined by the board beforehand for each type of special licence.
- (2) Every holder of a special licence shall pay a licence fee determined by the board beforehand for each type of special licence.
- (3) Every holder of a special licence shall pay the levies determined by the board beforehand for each type of special licence.

PART 8

GENERAL PROVISIONS APPLICABLE TO ALL LICENCES

CHAPTER 37

Gambling Levies

122 Payment of gambling levies

- (1) Every licensee shall
 - (a) no later than Wednesday of each week or, if any Wednesday is a public holiday, no later than the next working day submit to the board a return in the form and containing such information in respect of its gambling operations during the preceding week as may be determined by the board; and
 - (b) simultaneously pay to the board any gambling levy due in respect of the preceding week, unless the board determines otherwise.
- (2) The preceding week contemplated in sub-regulation (1) shall be the week ending at the close of a licensee's gambling day on the preceding Sunday, at the time stipulated in the licensee's approved system of internal control.

123 Penalty for late payment of gambling levies

If the gambling levy payable in terms of section 2 of the Free State Gambling Levies Act 1 of 2010 is not paid in accordance with the provisions of regulation 122, the licensee shall pay a penalty on the amount of any outstanding gambling levies at a rate of 10 % (ten percent) of the levies for each week or part of a week (not calculated pro rata) during which the levies remain unpaid: Provided that such penalty shall not exceed twice the amount of the gambling levies in respect of which such penalty is payable: Provided further that where the chief executive officer is satisfied that the failure on the part of any licensee to make payment of the gambling levy within the prescribed period was not due to, or intended to, avoid or postpone liability for payment of the amount due, the chief executive officer may remit in whole or in part any penalty payable in terms of this regulation.

CHAPTER 38

Financial Interest in the Business of the Licensee

124 Notice of procurement of financial interest in the business of the licensee

- (1) A licensee who becomes aware of a procurement of an interest referred to in section 84 of the Act, shall, as soon as is practicable, notify the board in writing of the name and address of the person (hereinafter referred to as the applicant) who procured such an interest, and shall furnish the board with such further information as the board may deem necessary.

- (2) Any person who, directly or indirectly, procures an interest contemplated in section 84 of the Act (hereinafter referred to as the applicant), shall, within 14 (fourteen) days of the procurement of such an interest, notify the board in writing of such procurement, furnishing his or her name and address.

125 Applicant to submit application

- (1) The board shall notify the applicant, in writing, of the requirements of this Chapter and the applicant shall submit, within 21 (twenty one) days of receipt of such notice, an application for consent on the forms furnished by the board.
- (2) The provisions of sections 63 to 69 of the Act and Chapter 2 of these Regulations shall apply *mutatis mutandis* to an application for consent contemplated in sub-regulation (1).

126 Disposal of interest by applicant denied consent

Where for any reason consent is not granted to an applicant, the board may

- (a) declare the agreement for the procurement of the relevant interest null and void; or
- (b) order the applicant, within such period as the board may determine, to dispose of his or her interest in the licence.

127 Determination of unsuitability

- (1) If at any time the board finds that the owner of a financial interest in a licence is unsuitable to continue owning such an interest, such owner shall within 3 (three) months of the date of such finding, or such longer period as the board may determine, dispose of his or her interest in the licence.
- (2) From the date when the board serves notice of a determination of unsuitability in terms of sub-regulation (1) upon the licensee, the unsuitable owner shall not exercise, directly or through any trustee or nominee, any voting right conferred by the ownership of his or her interest in the licence.

CHAPTER 39

Accounting Records and Returns

128 Accounting records

- (1) A licensee shall in such manner as the board may approve or require, keep accurate, complete, legible and permanent records of all transactions.
- (2) A licensee shall
 - (a) keep generally accepted accounting records on a double entry system of accounting, maintaining detailed, supporting subsidiary records, identifying revenue, expenses, assets and liabilities and any other records that the board specifically requires to be maintained; and
 - (b) in the case where he is the holder of

- (i) a casino licence keep
 - (aa) individual game records to reflect drop, win, and the percentage of win to drop by table for each table game, and to reflect drop, win and the percentage of win to drop for each type of table game, either by each shift or other accounting period approved by the board and individual game records reflecting similar information for all other games;
 - (bb) gaming machine analysis reports which by each machine reflect turnovers and payouts and compare actual hold percentages to theoretical hold percentages on a daily, monthly, quarterly and annual basis;
 - (cc) the records required by the licensee's approved system of internal control; and
 - (dd) any other records that the Board specifically requires to be maintained, including but not limited to electronic information and surveillance recordings.;
- (ii) a bookmaker's licence keep
 - (aa) cash book;
 - (bb) a betting slip book;
 - (cc) a field book;
 - (dd) a settling book;
 - (ee) a debtor's ledger;
 - (ff) a log book;
 - (gg) a record book reflecting all transactions with other licensed bookmakers;
 - (hh) a book reflecting all transactions with credit clients;
 - (ii) a bank deposit book; and
 - (jj) a cheque book, as well as such other books and records as the board may from time to time determine.
- (3) The records referred to in sub-regulation (2)(b)(i)(bb)(dd) shall also be required to be kept by the holder of a gaming machine operator's licence.

129 Audited financial statements

- (1) A licensee shall as soon as is practicable after the end of each financial year, prepare annual financial statements in accordance with Generally Accepted Accounting Practice, where applicable, and in the format approved or required by the board.
- (2) A licensee shall engage an independent accountant and auditor, registered with the Public Accountants' and Auditors' board in terms of the Public' and Auditors' Act, 1991 (Act 80 of 1991), who shall audit the licensee's annual financial statements in accordance with generally accepted auditing standards.
- (3) Each licensee shall submit to the board 2 (two) copies of its audited annual financial statements, and any reports communicating the results of the audit, including management letters, no later than 120 (one hundred and twenty) days or such extended period as the board may determine after the last day of the licensee's financial year.
- (4) The board may request additional information or documents from either the licensee or the auditor of the licensee, through the licensee, regarding the financial statements or the services performed by the auditor.

- (5) The licensee shall engage an independent auditor in conjunction with the annual audit to evaluate the licensee's compliance with the approved system of internal control.
- (6) Reports on the licensee's compliance with the approved system of internal control shall be submitted to the board along with the audited financial statements.

130 Other records

Each licensee shall keep at his licensed premises or registered offices, or shall provide to the board on request, the following records or documents:

- (a) in the case of a company
 - i) a copy of its memorandum and articles of association, including any amendments;
 - ii) a copy of its certificate to commence business;
 - iii) a register of all its current and former officers and directors;
 - iv) minutes of all meetings of the shareholders;
 - v) minutes of all meetings of the directors and committees of the Board of directors; and
 - vi) a register of all shareholders listing each shareholder's name, address, the number of shares held and the date the shares were acquired; or
- (b) in the case of a close corporation
 - i) a copy of its founding statement, including any amendments;
 - ii) a copy of its certificate of incorporation;
 - iii) a register of all its current and former members; and
 - iv) minutes of all meetings of the members.

131 Returns to be rendered

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

CHAPTER 40

Internal Controls

132 Minimum internal controls

- (1) A licensee shall establish and maintain administrative and accounting procedures for the purpose of determining the licensee's liability for levies and fees under the Act and for the purpose of exercising effective control over the licensee's internal financial affairs.
- (2) The procedures must be designed to reasonably ensure that
 - (a) assets are safeguarded;
 - (b) financial records are accurate and reliable;

- (c) transactions are performed only in accordance with management's general or specific authorisation;
- (d) transactions are recorded adequately to permit proper reporting of gaming revenue, fees and taxes; and
- (e) functions, duties and responsibilities are appropriately segregated and performed in accordance with sound practices by competent, qualified personnel.

133 Board to adopt minimum standards for internal control procedures

The board shall adopt and make available to applicants and licensees minimum standards for internal control procedures with which licensees must comply.

134 Internal control system to be approved by board

- (1) A licensee and each applicant for a licence shall describe, in such manner as the board may approve or require, its administrative and accounting procedures in detail in a written system of internal control and shall submit a copy thereof to the board for approval prior to implementation of the system.
- (2) A system of internal control submitted for approval must include
 - (a) an organizational chart depicting segregation of functions and responsibilities;
 - (b) a description of the duties and responsibilities of each position shown on the organizational chart;
 - (c) a detailed, narrative description of the administrative and accounting procedures designed to satisfy the requirements of regulations 132 and 133;
 - (d) a letter from an independent chartered accountant stating that the system of internal control has been reviewed by the accountant and complies with the requirements of this Chapter; and
 - (e) such further information as the board may require.
- (3) If the board determines that an applicant or licensee's system of internal control does not comply with the requirements of this Chapter, it shall so notify the applicant or licensee in writing.
- (4) Within 30 (thirty) days after receiving the notification contemplated in sub-regulation (3), the applicant or licensee shall amend its internal control system accordingly, and shall submit a copy of the amended system to the board for approval.

135 Amendment of system of internal control

- (1) A licensee wishing to amend his system of internal control shall, prior to implementing such amended system, submit to the board a copy of the written internal control system as amended, for approval.
- (2) The provisions of regulation 134 shall apply *mutatis mutandis* to an application for approval contemplated in sub-regulation (1).

CHAPTER 41

Death or Disability of Licensee

136 Board to be notified of death or disability

In the event of the death or judicially established disability of a licensee, his or her next of kin, personal representative, executor or guardian shall notify the board immediately of such death or disability.

137 Board may issue temporary licence

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

CHAPTER 42

Suitability of Third Parties

138 Suspension or revocation of certificate of suitability

The board may, after giving the holder of a certificate of suitability an opportunity to be heard, suspend for a specified time or revoke a certificate

- (a) if any information in the application for such certificate was false in any material respect or was subject to any material omission;
- (b) if the holder of the certificate has failed to comply with or has contravened any term or condition of the certificate; or
- (c) if there are good reasons for doing so and it is in the best interest of the proper control and regulation of gambling.

139 Termination of association

- (1) If the board
 - (a) determines that a supplier, borrower, lender, lessor or lessee is unsuitable to be associated with a licensee; or
 - (b) suspends or revokes a supplier or lender's certificate of suitability, the licensee concerned shall summarily terminate any agreement or association between the licensee and such supplier, borrower, lender, lessor or lessee without liability on the part of the licensee.
- (2) Failure to expressly include the provisions of sub-regulation (1) in an agreement is not a defence in any action brought in terms of this regulation to terminate the agreement.

CHAPTER 43

Disputes

140 Claims

The board may, in accordance with this Chapter, resolve a disputed claim for payment of a gambling debt.

141 Resolution of dispute

- (1) Whenever a licensee refuses payment of alleged winnings to a patron or a patron refuses payment of an alleged debt to a licensee and the licensee and the patron are unable to resolve the dispute to the satisfaction of both parties, the licensee shall inform:
 - (a) the patron that the Board will conduct an investigation and
 - (b) the Board, within 24 hours after the dispute arose, of the dispute.
- (2) The licensee shall within 48 hours, or such longer period as agreed to by the CEO in writing, provide the Board with all the information requested by the Board to assist with the resolution of any dispute brought under the attention of the Board by either the patron or the licensee.
- (3) The provisions of sub-regulation (1) shall not preclude a patron from lodging a complaint directly with the board.
- (4) The board, through an inspector, shall conduct whatever investigation it deems necessary, shall determine whether payment should be made and shall mail written notice to the licensee and the patron of the decision resolving the dispute within 30 (thirty) days after the date the board first receives notification from the licensee or patron.
- (5) The decision of the board is effective on the date the parties receive notice of the decision.

142 Petition for hearing by board

- (1) Within 14 (fourteen) days after the date of receipt of the written decision of the board, any of the parties may file a petition with the board requesting a hearing to reconsider the decision.
- (2) The petition must set forth the basis of the request for a hearing.
- (3) If no petition for a hearing is filed within the time prescribed in sub-regulation (1), the decision shall be deemed final and shall not be subject to reconsideration by the board.
- (4) If a petition requesting a hearing is received, the board shall schedule a hearing in accordance with section 20 of the Act: Provided that notice of the date, time and place of the hearing as well as a copy of the petition shall be provided by the board to both parties.

143 Burden of proof on party seeking reconsideration

The party seeking reconsideration bears the burden of showing that the board's decision should be reversed or modified.

144 Decision of board

After the hearing, the board may uphold, modify or reverse the original decision.

145 Payment of claim after decision of board

- (1) Except as provided otherwise in regulation 146, a licensee shall pay a patron's claim within 7 (seven) days after the decision of the board directing the licensee to do so becomes final.
- (2) A patron shall pay a licensee's claim within 7 (seven) days after the decision of the board that the patron is liable for the debt, failing which the board may, in terms of Chapter 44, include the patron's name on the list of excluded persons.

146 Deposit and withdrawal of amount of claim upon judicial review

- (1) If a licensee intends to take a decision of the board on judicial review, the licensee must first deposit with the board, in trust, an amount equal to the amount in dispute.
- (2) The board shall release the amount held in trust
 - (a) to the patron, within 7 (seven) days after a final, non-appealable order of a court so directs; or
 - (b) to the licensee, within 7 (seven) days after a final, non-appealable order of a court that the licensee is not required to pay the claim.

CHAPTER 44

Excluded Persons

147 List of excluded persons

- (1) The board may establish a list of persons who are to be excluded or ejected from the licensed premises specified on the list and prohibited from partaking in such gambling specified on the list.
- (2) The criteria to be applied by the board for inclusion of a person in such list are:
 - (a) contravention of the gambling laws of any country;
 - (b) contravention or conspiracy to contravene the provisions of the Act;
 - (c) unsavory behavior in any licensed premises or notorious or unsavory reputation;
 - (d) non-payment of gambling debts;
 - (e) if, in the opinion of the board, it is desirable in the interests of public order, public morals or fair play; or
 - (f) any court order prohibiting such person from entering any or specific licensed premises, any one of which is sufficient for inclusion.

148 Entry of names

- (1) Before a name is placed on the list, the board shall first review the information and evidence in its possession and make a determination that there is sufficient reason to believe that any one of the criteria specified in regulation 147 is applicable to the candidate.
- (2) No name shall be placed on the list until such time as the person concerned has had notice of the intention of placing his or her name on the list and has been given an opportunity to be heard: Provided that the provisions of this sub-regulation shall not be applicable to a person whose name appears in exclusion lists of any other gambling regulatory body.

149 Distribution and contents of the list

- (1) The list shall be open to public inspection during normal office hours of the board and shall be distributed to
 - (a) the National Gambling Board;
 - (b) every licensed gambling establishment within the Republic; and
 - (c) all other gambling regulatory bodies in the Republic.
- (2) The following information and data shall be provided for each excluded person:
 - (a) the full name and all aliases the person is believed to have used;
 - (b) a description of the person's physical appearance, height, weight, type of build, colour of hair and eyes, and any other physical characteristics which may assist in the identification of the person;
 - (c) the date of birth, if available;
 - (d) the date the person's name was placed on the list;
 - (e) a photograph and the date thereof, if available;
 - (f) the reason for placing the person's name on the list; and
 - (g) the type or types of licensed premises or gambling to which the exclusion applies.

150 Notice of candidacy

The notice to be given to a person in terms of regulation 148(2) shall specify the grounds for inclusion on the list and shall inform the candidate that a request for a hearing may be made within 14 (fourteen) days from the date of the notice.

151 Hearing

The provisions of section 20 of the Act and regulations 9 to 13 shall apply *mutatis mutandis* in respect of a hearing held in terms of this Chapter.

152 Petition to be removed from the list

- (1) Any person whose name has been placed on the list may, upon payment of such fee as the board may determine, petition the board in writing and request that his or her name be removed from such list, specifying the grounds believed by the petitioner to constitute good cause for removal of his or her name.
- (2) The board shall, within 60 (sixty) days of receipt of a petition, either deny the petition or set the petition for hearing.

- (3) The burden of showing good cause for removal from the list shall at all times rest with the petitioner.
- (4) The board may determine a time period during which a person whose name appears on the list of excluded persons may not petition the board for removal of his or her name from such list.

153 Excluded person prohibited from entering licensed premises or partaking in gambling

An excluded person who enters or attempts to enter licensed premises from which he or she is excluded or partakes in any gambling from which he or she is excluded, shall be guilty of an offence.

154 Duty of licensee

- (1) Whenever an identified excluded person enters or attempts to enter or is upon licensed premises from which he or she is excluded, the licensee and its agents or employees shall
 - (a) request such excluded person not to enter, or if on the premises, to immediately leave such premises;
 - (b) notify the South African Police Service to evict such excluded person if he or she fails to comply with the request of the licensee, its agents or employees; and
 - (c) notify the board of the presence of any excluded person on the licensed premises.
- (2) A licensee shall not knowingly allow an excluded person to partake in any gambling from which he or she is excluded.

CHAPTER 45

Advertising

155 Undesirable advertising

- (1) A specific advertisement or form of advertising shall be undesirable if, in the opinion of the board
 - (a) it is offensive;
 - (b) it is misleading;
 - (c) it is in bad taste; or
 - (d) it contrasts or compares licensees with regard to
 - (i) size;
 - (ii) the number of games available; or
 - (iii) house advantage, hold, win or any like indication of the probability of winning or losing.
- (2) The board may, by written notice to a licensee, declare any advertisement or form of advertising undesirable on any of the grounds specified in sub-regulation (1).

CHAPTER 46

Retention of Records

156 Period of retention

- (1) All records required to be kept by a licensee in terms of these Regulations shall be retained by the licensee for a period of at least 5 (five) years, with the exclusion of surveillance recordings, which must be retained as stipulated in sub-regulation (2).
- (2) Surveillance recordings should be retained for a period of at least 3 months from date of recording of data, excluding surveillance tapes that are still required to address claims and disputes as stipulated in regulations 140 and 141.
- (3) Surveillance recordings as stipulated in sub-regulation (2) should be retained for another period of at least 3 months after the claims and disputes have been finalised.

157 Accessibility of records

All records of a licensee shall be organised and indexed in such a manner as to provide immediate access to the board.

CHAPTER 47

Serving of Notices

158 Serving of notices

- (1) Any notice to be given to a person by the board in terms of the Act or these Regulations shall be given by
 - (a) personal delivery;
 - (b) registered mail; or
 - (c) facsimile transmission.
- (2) Any notice given by the board in terms of sub-regulation (1) shall be deemed to have been received
 - (a) in the case of personal delivery, upon delivery of the notice to such person's physical address;
 - (b) in the case of registered mail, 14 (fourteen) days after it has been posted; or
 - (c) in the case of facsimile transmission, at 10h00 on the first business day

following the date of transmission.

CHAPTER 48

Cheating

159 Use of certain devices prohibited

- (1) No person may at a licensed premises use, or possess with the intent to use, any device or means to assist
 - (a) in projecting the outcome of a casino game;
 - (b) in keeping track of the cards played;
 - (c) in analysing the probability of the occurrence of an event relating to a casino game;or
 - (d) in analysing the strategy for playing or betting to be used in a casino game, except as approved by the board in writing, upon the written request of a licensee.
- (2) The provisions of sub-regulation (1) shall not be deemed to prohibit
 - (a) the making and referring to handwritten records of the cards played at punto banco or baccarat; or
 - (b) the making and referring to handwritten records of roulette results.

160 Fraudulent acts

No person may

- (a) alter or misrepresent the outcome of a casino game or other event on which wagers have been made after the outcome is determined but before it is revealed to the players;
- (b) place, increase or decrease a bet or determine the course of play after acquiring knowledge, not available to all players, of the outcome of the casino game or any event that affects the outcome of the casino game or which is the subject of the bet or aid anyone in acquiring such knowledge for the purpose of placing, increasing or decreasing a bet or determining the course of play contingent upon that event or outcome;
- (c) claim, collect or take, or attempt to claim, collect or take, money or anything of value in or from any gaming activity, with intent to defraud, without having made a wager contingent thereon, or to claim, collect or take an amount greater than the amount won;
- (d) place or increase a bet after acquiring knowledge of the outcome of the casino game or other event, which is the subject of the bet;
- (e) reduce the amount wagered or cancel the bet after acquiring knowledge of the outcome of the casino game or other event which is the subject of the bet; or
- (f) manipulate, with the intent to cheat, any component of a gaming device in a manner contrary to the designed and normal operational purpose for the component, with knowledge that the manipulation affects the outcome of the casino game or with knowledge of any event that affects the outcome of the casino game.

161 Use of counterfeit, unapproved or unlawful wagering instruments

No person may use counterfeit chips or other counterfeit wagering instruments in a casino game or have such chips or wagering instruments in his or her possession.

162 Detention and questioning of person suspected of contravention

- (1) Any licensee, or his officers, employees or agents may question any person in or on his licensed premises suspected of contravening any of the provisions of this Chapter or of section 125 of the Act.
- (2) Any licensee or any of his officers, employees or agents who has reasonable cause for believing that there has been a contravention of this Chapter or of section 125 of the Act by any person, may take that person into custody, inform the South African Police Service and detain such person in the establishment in a reasonable manner until the arrival of a police officer.
- (3) The taking into custody and detention of a person in terms of sub-regulation (2) does not render the licensee or his officers, employees or agents criminally or civilly liable unless it is established by clear and convincing evidence that the taking into custody and detention were, in the light of all the circumstances, unreasonable.

163 Seizure and forfeiture

- (1) Any object or device used or capable of being used for cheating at a casino game may be seized by an inspector or police officer.
- (2) Any object or device contemplated in sub-regulation (1) not returned to the owner or any other person must be retained or destroyed in the manner determined by the board.

CHAPTER 49

Copies or Extracts

164 Fees for copies or extracts

- (1) An interested person may request a copy or extract of any document, which is available for public inspection in terms of the Act or these Regulations.
- (2) A copy or extract requested in terms of sub-regulation (1) shall be made available upon payment of a fee to the Board of R2,00 per page or part thereof.

CHAPTER 50

Short Title

165 Short title

These Regulations shall be called the Free State Gambling and Racing Regulations, 2010.

ANNEXURE A

NOTICE OF INTENTION TO APPLY FOR A LICENCE IN TERMS OF SECTION 64

Form 1

[Reg. 3]

FREE STATE GAMBLING AND LIQUOR ACT, 6 OF 2010

Notice is hereby given that the under mentioned applicant intends to lodge an application for a licence, particulars of which appear hereunder, with the chief executive officer of the Free State Gambling and Liquor Authority on _____

(a) Full name of applicant: _____

(b) Type of licence applied for: _____

(c) The address and the site from which the applicant intends to operate:

ANNEXURE B

OBJECTION TO APPLICATION FOR A LICENCE

Form 2

[Reg. 4]

FREE STATE GAMBLING AND LIQUOR ACT, 6 OF 2010

I, _____

(Full name, street and postal address and telephone number of objector) hereby object to the application for a _____ licence made by

_____ (name of applicant) on the following grounds:
