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GENERAL NOTICE

NOTICE 103 OF 2012

MPUMALANGA GAMBLING BOARD

INVITATION FOR COMMENTS ON THE DRAFT AMENDMENTS TO THE MPUMALANGA GAMBLING RULES

1. The Mpumalanga Gambling Board has caused draft amendments to the Mpumalanga Gambling Rules to be published in the *Mpumalanga Provincial Gazette* in terms of section 84 of the Mpumalanga Gambling Act, 1995 (Act No. 5 of 1995), as amended, and hereby invites interested parties to furnish comments thereon or any representations they wish to make in regard thereto, to the Board at the following address:

**Mpumalanga Gambling Board
Private Bag X9908
White River
1240**

or

Facsimile No. 013 7508099 – Attention: Mr. Bheki Mlambo

or

E-mail: marinab@mgb.org.za

2. Comments should reach the Board within 1 (one) month from the date of the *Provincial Gazette*, referred to in paragraph 1.
3. The name, telephone number, facsimile number or e-mail address and address of a person who may be contacted in regard to his/her comments should also be stated clearly.

General Explanatory Note:

- [**BOLD**] words typed in bold type in square brackets indicate omissions from the existing Rules.
- _____ words underlined with a solid line indicate insertions in existing Rules.

MPUMALANGA GAMBLING RULES AMENDMENT, 2012

To amend the Mpumalanga Gambling Rules so as to further regulate Board audit procedures; and to further regulate extension of time for reporting; bingo operations; and racing and betting operations.

Insertion of Rule 2.060

1. The following rule is inserted after Rule 2.050 of the Mpumalanga Gambling Rules (hereinafter referred to as the Rules) :

“2.060 Extension of time for reporting

The Chief Executive Officer, in his/her sole and absolute discretion, may extend the time for submitting any report or document required by these Rules.”

Amendment of Rule 9.110

2. Rule 9.110 of the Rules is hereby amended by the insertion of the following subrule after subrule (6):

“(7) In the event of approved games being downloaded electronically or electronically housed in a system, controls relating to the physical and logical security of the system shall be contained in the licensee’s internal control procedures.”

Amendment of Rule 13.010

3. Rule 13.010 of the Rules is hereby amended –

- (a) by the deletion of the definition of “bingo centre”;
- (b) by the substitution for the definition of “card” of the following definition:

“**physical card**’ means s bingo card, or shutter card or any card approved by the Board;”;

- (c) by the substitution for the definition of “central bingo centre” of the following definition:

“**central bingo centre**’ means a bingo centre at which number, picture or symbol selection takes place during a simultaneous game;”;

- (d) by the substitution for the definition of “draw” of the following definition:

"draw" means selection of a number, picture or symbol to be marked off by players or a device during a game of bingo;"

(e) by the insertion of the following definition after the definition of "draw":

"electronic card" means an electronic bingo card or digital representation of a bingo card or a similar device approved by the Board;"

(f) by the substitution for the definition of "game" of the following definition:

"game" means the game of bingo or any particular game that is substantially similar;" and

(g) by the substitution for the definition of "player" of the following definition:

"player" means any person who has bought or wagered credits for a card or electronic card with the intention of participating in a game [of bingo];"

Amendment of Rule 14.010

4. Rule 14.010 of the Rules is hereby amended by the substitution for the rule of the following rule:

"14.010 Requirements for bingo centres

(1) Every bingo centre shall contain the following equipment –

- (a) a random number selecting device, which shall operate either electronically or by means of a ball drawing apparatus;
- (b) a control desk, which shall be elevated from the rest of the premises and shall be clearly visible to all players;
- (c) a public address system which shall ensure clear audibility by all players, of all instructions and information from the control desk in relations to the conduct of the game;
- (d) one or more information panels or screens, which shall be clearly visible to all players, on which shall be displayed the following information –
 - (i) all the information referred to in rule 16.020(2)(c), except the way in which each prize is to be collected;
 - (ii) all numbers drawn in the game currently being played;
 - (iii) all prizes available in the game currently being played;
 - (iv) the amount of the applicable jackpot as well as the maximum amount of draws for the jackpot;
 - (v) the number of draws made in the game currently being played; and
 - (vi) the number of cards sold in the game currently being played;
- (e) a closed circuit television system, of which at least one of the monitors shall be clearly visible from all positions which may be occupied by a player, on which the numbers being selected are clearly displayed;

- (f) a cash desk, the physical characteristics of which shall be subject to approval by the Board, in which the cashier shall be stationed and in which the following shall be kept –
- (i) all bingo cards removed from the storage area in order to be sold;
 - (ii) all money paid by players for the purchase of bingo cards;
 - (iii) any other equipment needed by the cashier to perform his functions; and
 - (iv) any other item which the Board may require from time to time; and
- (g) a computer system, which shall be of a type identical to a system approved by the Board, which shall be used to record and store the game records, required in terms of rule 16.050.

(2) Every bingo centre shall in a visible position:

- (a) Clearly display signage that no persons under the age of 18 are allowed in the designated areas;
- (b) A copy of the bingo operator licence as issued by the Board; and
- (c) A notice stating that all games conducted on the premises are the games of bingo.”

Amendment of Rule 14.020

5. Rule 14.020 of the Rules is hereby amended by the substitution for subrule (1) of the following subrule:

“(1) A bingo operator shall not use any random number selecting device or any other device unless such device has been tested in terms of the applicable SANS Standards, certified [according to the SABS standard] by the National Regulator for Compulsory Specifications and approved by the Board.”

Insertion of Rule 14.040

6. The following rule is inserted in the Rules after Rule 14.030:

“14.040 Requirement for surveillance systems

(1) Every bingo operator shall install, maintain and operate a surveillance system on the premises to which the licence relates, which shall conform to the requirements of this rule and be subject to the Board’s approval: Provided that the Board may, on reasonable grounds, determine or approve other requirements to those set forth in this rule, for such surveillance system.

(2) Such bingo operator shall install, operate and maintain surveillance coverage bingo operations, as approved by the Board.

(3) Such applicant for a bingo operator licence shall submit to the Board a surveillance system plan with its licence application for approval by the Board.

(4) The surveillance system plan shall include the following –

- (a) a gambling floor plan that shows the placement of all surveillance equipment;

- (b) details of the camera views, if applicable;
 - (c) identification of electronic bingo devices covered by the surveillance system; and
 - (d) a detailed inventory of the surveillance system, which shall include number of cameras, monitors and equipment specifications, if applicable.
- (5) The surveillance plan in respect of camera installation will be signed off and shall be subject to approval by the Board on completion of the installation of the cameras: Provided that Board approval shall be required in respect of all other components of the surveillance plan, prior to installation.
- (6) No such applicant or licensee shall alter or modify the approved surveillance system contemplated in this rule, without the prior approval of the Board
- (7) Such applicant or licensee shall apply to the Board in writing for alterations to the surveillance system, no later than 7 days prior to the proposed alteration and if such alteration is approved by the Board, submit an amended plan reflecting such alteration within 30 days of the approval: Provided that this sub-rule will also be applicable to temporary installations.
- (8) Such bingo operator shall inform the Board of the installation of cameras for the purposes of gambling covert operations, within 48 hours of such installation.
- (9) The surveillance system and its equipment shall be directly and securely wired in a way to prevent tampering therewith.
- (10) The surveillance system shall be connected to an auxiliary power source capable of providing uninterrupted power to the surveillance system in the event of a power loss and the power supply shall provide sufficient lighting to operate the surveillance system at all times when bingo devices are in operation.
- (11) A lightning protection unit shall be fitted to safeguard the surveillance system against lightning.
- (12) A person shall be available to monitor camera views of bingo gambling activities at all times during such bingo operator's operating hours as approved by the Board.
- (13) In the event that cameras are used as part of the surveillance system –
- (a) each camera shall have the capability of having its picture displayed on a monitor;
 - (b) all cameras forming part of the surveillance system shall record in colour, unless otherwise approved by the Board;
 - (c) each camera in the surveillance system located in a public area shall be placed behind a dome;
 - (d) all image recordings shall be made in real time and not in a time lapse recording mode;
 - (e) surveillance system image recordings must be kept for 7 days; and
 - (f) the procedures for storing and record keeping of image recordings shall be submitted in writing to the Board for approval, no less than 7 days prior to the

commencement of gambling operations or 7 days prior to the amendment to the existing approved method.

(14) The surveillance system and its related equipment shall be monitored during such licensee's operating hours by a person trained by the licensee in accordance with minimum standards approved by the Board for surveillance purposes and shall possess adequate knowledge of bingo devices as well as the relevant legislation pertaining to gambling operations.

(15) The Board and its authorised staff members shall at all times be provided immediate access to the room or area where the surveillance system is kept.

(16) In respect of malfunctions of the surveillance system equipment –

(a) such licensee shall establish and maintain a written log of any and all surveillance system equipment malfunctions, and gambling operations shall be suspended pending the repair of the malfunction, unless otherwise approved by the Board;

(b) each malfunction to the approved surveillance system shall be repaired within 24 hours of the malfunction;

(c) if the malfunction is not repaired within 24 hours, the licensee shall immediately submit a separate written report in the form of a letter to the Board that sets forth the reason for the delay in repair, and

(d) each malfunction together with the corrective measures taken will be reported to the Board within 24 hours.

(17) In addition to any other image recording requirements that are or may be imposed by this rule, the bingo operator shall record all views, activities, and locations as the Board may from time to time require.

(18) Every applicant for a bingo operator licence shall comply with the requirements set forth in this rule no later than 7 days prior to the start of gambling operations."

Amendment of Rule 15.010

7. Rule 15.010 of the Rules is hereby amended by the substitution for the heading of the following heading:

"15.010 Requirements for physical [bingo] cards".

Insertion of Rule 15.010A

8. The following rule is inserted in the Rules after Rule 15.010:

15.010A Requirements for electronic cards

(1) The game of bingo shall be played using electronic cards or any other device approved by the Board.

(2) The electronic card or cards must be clearly visible or available to be viewed by the player.

(3) No two cards in the same game may be identical in regard to the numbers, pictures or symbols to be marked on each card.

Amendment of Rule 15.020

9. Rule 15.020 of the Rules is hereby amended by the substitution for the heading of the following heading:

"15.020 Sale of physical [bingo] cards".

Amendment of Rule 15.030

10. Rule 15.030 of the Rules is hereby amended –

(a) by the substitution for the heading of the following heading:

"15.030 Retention and destruction of physical [bingo] cards"; and

(b) by the insertion of the following paragraph after paragraph (c) of subrule (1):

"(d) any damaged or void card shall be kept for a period of three months."

Amendment of Rule 15.040

11. Rule 15.040 of the Rules is hereby amended by the substitution for the heading of the following heading:

"15.040 Receipt, storage and use of physical [bingo] cards".

Amendment of Rule 15.050

12. Rule 15.050 of the Rules is hereby amended by the insertion of the following subrule after subrule (2):

"(3) A game played by wholly or partly electronic means –

(a) for consideration, using devices –

(i) that depicts in electronic form, a card which is divided into spaces, each of which bears a different number, picture or symbol; and

(ii) with such numbers, pictures or symbols arranged randomly such that any card so depicted contains a unique set of numbers, pictures or symbols;

(b) in which a series of numbers, pictures or symbols are generated randomly by a device, which numbers, pictures or symbols are then distributed to, and displayed on, a device;

(c) which match, on behalf of each player, each such number, picture or symbol on the player's electronically depicted card; and

(d) in which the player who has all the spaces on his or her electronic card matched first, or who has a specified set of numbers, pictures or symbols on his or her electronic card matched first, wins a prize or prizes

is substantially similar to bingo as defined in the Act, shall be regarded as bingo.”

Insertion of Rule 15.060

13. The following rule is inserted in the Rules after Rule 15.050:

“15.060 Marking, registration and distribution of electronic bingo devices

(1) No electronic bingo device shall be distributed in the Province or from a location within the Province out of the Province unless it has that device’s unique serial number, permanently stamped or engraved in lettering no smaller than 5 millimetres on the metal frame or other permanent component of the machine and on a removable plate attached to the cabinet of the device which will allow easy review by a Board official without the opening of any part of the device.

(2) No licensee shall distribute any electronic bingo device within or out of the Province or transport any electronic bingo device through the Province without the prior written approval of the Board. Applications for such approval shall be made, processed, and determined in such manner and using such forms as approved by the Board and shall include, in addition to such other items or information as the Board may require –

- (a) in the case of electronic bingo devices being distributed out of or within the Province, the full name, province of residence, address, telephone number, licence number, business registration number, identification number or passport number of both the purchaser and the person to whom the shipment is being made;
- (b) in the case of electronic bingo devices being distributed into the Province, the name and permanent address of the seller and the person from whom the shipment is received if such person is someone other than the seller;
- (c) in the case of electronic bingo devices being transported through the Province, the full name, province of residence, address, telephone number, licence number, business registration number, identification number or passport number of the person from whom the electronic bingo device are distributed, the person performing the transport as well as the person to whom the shipment is being made;
- (d) the name and permanent address of the purchaser or person to whom the shipment is being made if either is currently licensed by the Board;
- (e) the port of entry or exit as the case might be, if the origin or destination is outside the Republic;
- (f) the number of electronic bingo devices to be distributed or transported;
- (g) the serial number of each electronic bingo device;
- (h) the model number and game type of each electronic bingo device;
- (i) the expected date and time of shipment;
- (j) the method of shipment and name and address of carrier;

- (k) the seal number of the container, if applicable; and
 - (l) a statement by the purchaser that each device will be used only for lawful purposes, unless the purchaser is currently licensed by the Board.
- (3) No licensee shall distribute or ship electronic bingo devices to a destination where possession of an electronic bingo device is unlawful.
- (4) The Board may inspect all electronic bingo devices prior to distribution out of the Province. Licensees shall make the electronic bingo devices available for such inspection.
- (5) A licensee shall keep a record of all shipments made into or out of the Province of parts specifically designed for use in an electronic bingo device. The record shall include the information set forth in sub-rule (1), if applicable. A licensee shall not ship parts specifically designed for use in an electronic bingo device to a destination where possession of an electronic bingo device is unlawful."

Amendment of Rule 16.020

14. Rule 16.020 of the Rules is hereby amended by the substitution for the heading of the following heading:

"16.020 Conducting the game of bingo using physical cards".

Insertion of Rule 16.020A

15. The following rule is inserted in the Rules after Rule 16.020:

"16.020A Conducting the game of bingo using electronic cards or similar devices

- (1) Every game of bingo shall start with payment for that particular game.
- (2) The players may have the option to choose the electronic bingo card/cards they wish to play or these may be chosen by the device.
- (3) On the activation of the game the numbers, pictures or symbols will be displayed on the player screens or devices.
- (4) Each release of one or more numbers, pictures or symbols will be matched on the electronic cards or device, the player on whose behalf the electronic or similar device first matches all the spaces on the card or similar device, or matches a specified set of numbers, pictures and symbols on the electronic card or similar device, wins a prize or more than one prize
- (5) After completion of the game the player may continue to play another game or continue in any additional or bonus game features that may be awarded.
- (6) The electronic card or device used may offer an alternative electronic or mechanical display of the results, as long as the results of the alternative game are based on the outcome of the bingo game and that this display is for entertainment purposes only.
- (7) In the event of approved games being downloaded electronically or electronically housed in a system, controls relating to the physical and logical security of the system shall be contained in the licensee's internal control procedures."

Amendment of Rule 16.030

16. Rule 16.030 of the Rules is hereby amended –

(a) by the substitution for the heading of the following heading:

“16.030 Suspension of game and refunds for physical cards”;

(b) by the substitution for paragraph (b) of subrule (1) of the following paragraph:

“(b) if the malfunction or incident cannot be resolved within a reasonable time, the game shall be abandoned and the full purchase price of all cards sold for that particular game shall be paid back to the players and each card sold for that particular game shall be returned to the licensee.”; and

(c) by the substitution for paragraph (b) of subrule (2) of the following paragraph:

“(b) if the malfunction or incident cannot be resolved within reasonable time, the game shall be abandoned and the full purchase price of all cards sold for that particular game less the pro-rata share of any prize due and payable to any player for that particular game before abandonment thereof and any gambling levy payable to the Board, shall be paid back to the players and each card sold for that particular game shall be returned to the licensee: Provided that all prizes which have been claimed and verified before abandonment, shall be paid out to the winners.”

Amendment of Rule 16.040

17. Rule 16.040 of the Rules is hereby amended by the deletion of subrule (2) and the renumbering of subrule (3).

Amendment of Rule 16.050

18. Rule 16.050 of the Rules is hereby amended by the substitution for the heading of the following heading:

“16.050 Game records for physical cards”.

Insertion of Rule 16.050A

19. The following rule is inserted in the Rules after Rule 16.050:

“16.050A Game records for electronic cards or other devices

(1) Each operator shall have a system, approved by the Board, on which shall be recorded, the following minimum information:

(a) the date;

(b) the total amount of cash staked per player position, electronic card or device;

(c) the total amount of prize money paid out per player position, electronic card or device;

(d) the total amount of cash hold per player position, electronic card or device;

- (e) percentage payout and hold per player position, electronic card or device;
- (f) total amount of cash staked;
- (g) total amount of prize money; and
- (h) total amount of cash hold.

(2) The information recorded in terms of subrule (1), shall be stored in electronic format for a minimum period of three months, in such a manner that it shall be incapable of being changed after being recorded and such information shall only be accessible to the Board, authorised staff members of the bingo operator or its franchisor and the auditors of the bingo operator and/or franchisor.

(3) In the event of a malfunction of the electronic recording device referred to in subrule (1), all relevant information with regard to every game of bingo played shall be recorded in writing.

(4) In respect of malfunctions of the electronic recording device –

- (a) each malfunction of such device shall be repaired within 24 hours of the malfunction;
- (b) if the malfunction is not repaired within 24 hours, the licensee shall immediately submit a separate written report in the form of a letter to the Board that sets forth the reason for the delay in repair; and
- (c) each malfunction together with the corrective measures taken will be reported to the Board within 24 hours.”

Insertion of Rule 16.050B

20. The following rule is inserted in the Rules after Rule 16.050A:

“16.050B Electronic monitoring system for devices

(1) Where bingo is played wholly by electronic means, the Board may approve any electronic, computer or communications system or device which can be used to send or receive data relating to the functioning of any electronic device or other machine or apparatus on which bingo is played, as a monitoring system, in order to render to the Board the prescribed returns and information in terms of the relevant provincial legislation.

(2) The monitoring system required in subrule (1) above shall be designed and operated to perform and report functions and shall provide:

- (a) online, real-time monitoring and data acquisition capability in the format and media approved by the Board; and
- (b) such other monitoring and data acquisition capability, as the Board may determine.

(3) The monitoring system required by subrule (1), shall be designed and operated to perform and report functions relating to bingo devices and other functions as follows:

- (a) record the number and total value of bingo tickets sold for the purpose of activating play;

(b) record the number in total value of bingo tickets electronically paid out;

(c) record the number and total value of bingo tickets manually paid out; and

(d) record such other information as the Board may require.

(4) The bingo licensee shall store in the device and in a readable format, all information required by subrule (3) for a period of five years.

(5) The hardware and software configuration of the electronic monitoring system shall be certified to conform to the applicable SANS standards and shall be approved by the Board.

Amendment of Rule 17.030

21. Rule 17.030 of the Rules is hereby amended –

(a) by the substitution for subrule (9) of the following subrule:

“(9) The commencement of the game shall be announced, followed by the [first draw] random number selection.”; and

(b) by the insertion after subrule (10) of the following subrule:

“(11) Simultaneous bingo may take place utilising electronic cards or devices and shall be conducted in terms of Rule 16.020A.”

Amendment of Rule 23.010

22. Rule 23.010 of the Rules is hereby amended by the insertion of the following paragraph after paragraph (w) of subrule (9):

“(x) In the event of approved games being downloaded electronically or electronically housed in a system, controls relating to the physical and logical security of the system shall be contained in the licensee’s internal control procedures.”

Insertion of Part 5 – Racing and Betting Rules

23. Part 5 – Racing and Betting Rules – is hereby inserted after Rule 28.250 of the Rules as follows:

PART 5 **RACING AND BETTING RULES**

CHAPTER XXIX **DEFINITIONS**

29.010 Definitions

For the purposes of this part (Part 5) of these rules, unless the context indicates otherwise –

“approved medium” means any medium for the recording and/or storage of data approved by the Board, and, without limitation to the generality of the foregoing, may include analogue or digital land-based or cellular telephone lines or the other digital storage devices or recorders;

“commingling” means the amalgamation of the defined betting pools between an operator and another operator licensed in another South African provincial or a foreign jurisdiction and the declaration of a common dividend between that operator and such other operator;

“computerised record-keeping system” means a computerised wagering system referred to in Rule 31.010;

“in-running betting” means placing a bet on an event after it has started while the odds are updated as the event unfolds;

“official starting time”, in relation to horseracing, sporting or other events or contingencies, means the time at which such event or contingency commences; provided that the event or contingency in question thereafter proceeds without interruption until the outcome thereof has become known;

“programme upgrade” means an amendment, enhancement or other functionality change to any software or programme, approved by the Board and used in the operation of an existing server or computer;

“progressive take-out” means the sum of the total of a bookmaker’s commitments and the stakes wagered by players in relation to a given event or contingency;

“software upgrade” means any software change to the software utilised in an existing server or computer, which may include the implementation of a more recent release of such software, or an addition to or enhancement of the functionality of such software;

“total stake” means the sum of the winning and losing stakes accepted by a bookmaker in betting transactions in respect of a given event or contingency;

“winning stake” means the progressive total of the winning stakes wagered by players in respect of a given event or contingency; and

“winning take-out” means the total progressive take-out in relation to all winning bets in respect of a given event or contingency.

CHAPTER XXX **GENERAL PROVISIONS**

30.010 Rules made available

(1) Every holder of a bookmaker or totalisator operator licence shall make available to a player where its licensed premises provides physical access to the public for betting purposes, upon request, any rules made in terms of section 84 or approved in terms of section 84A of the Act.

(2) Every holder of a bookmaker or totalisator operator licence shall, in a prominent position, display a notice advising players of the availability of the rules contemplated in subrule (1) and any amendments thereto.

(3) Every licence holder contemplated in this rule shall not conduct betting otherwise than in accordance with the rules contemplated in subrule (1).

(4) The Board may determine minimum requirements for betting sites where betting is conducted, promoted or advertised from a website, mobile application or any other device utilised for such purpose.

30.020 Dual Systems

(1) Subject to the provisions of Rule 31.050, no manual record-keeping system shall be permitted for the processing of betting transactions on a licenced bookmaker premises.

(2) The holder of a bookmaker licence must make use of a computerised record-keeping system as provided for in Rule 31.010 for the processing of betting transactions.

30.030 Recording of verbal bets

(1) In respect of any bet placed or accepted via a telephone, mobile phone, the internet, or any other electronic media, a clearly audible voice or digital recording or electronic record shall be made or saved on an approved medium.

(2) The recording referred to in subrule (1) shall be retained in a secure place of storage on the licensed premises, or on such other premises as may be approved by the Board, for a period of ninety (90) days from the date upon which it was made, or such further period, pending any investigation, as the Board may require.

30.040 Recognition of representative bodies or associations

(1) The Board may recognise a body or association of persons representing a class or category of licence holders provided that such body or association –

- (a) has been formally mandated by the majority of such class or category of licence holders to represent its interests;
- (b) is recognised on an ongoing basis by the majority of such class or category of licence holders as continuing validly to represent its interests;
- (c) comprises persons who in the opinion of the Board are suitable to represent such interests, and
- (d) acts in its representative capacity in terms of a written constitution approved by the Board.

(2) The effect of the recognition of a body or association in terms of subrule (1) shall be that, subject to compliance with the Act, such body or association shall be –

- (a) consulted in respect of –
 - (i) any proposed change in its status as a body or association recognised by the Board;
 - (ii) proposed amendments to the Act affecting the class or category of licence holder which it represents; and
 - (iii) applications for licensing submitted by persons seeking to be issued licences in the class or category which it represents; provided that the body or association shall not be entitled to any confidential information submitted by such applicants; and

(b) notified in respect of –

- (i) any proposed hearing, enquiry or similar disciplinary procedure to be conducted in respect of any of its members, provided that the member concerned shall be entitled to elect whether to enlist the assistance of the body or association for the purposes of the hearing, enquiry or disciplinary procedure; and
- (ii) the outcome of any hearing, enquiry or disciplinary procedure referred to in paragraph (b)(i).

(3) The effect of recognising a body or association in terms of subrule (1) shall not limit the rights and privileges of licensed operators that are not members of such body or association as it relates to subrule (2) above.

30.050 Persons to accept or process bets

(1) A licensed key employee shall be present at all times during which bets are accepted or processed on totalisator premises, and bookmaker premises: Provided that –

- (a) where the holder of a totalisator or bookmaker licence offers betting on more than one licensed premises, and
- (b) all betting transactions conducted by the holder of a licence trading in the manner contemplated in paragraph (a) are centrally monitored and controlled on one licensed premises (“the central premises”)

a licensed key employee shall be required to be present and to exercise control and authority over the activities performed in terms of the licence on the central premises only: Provided further that no betting shall be offered on premises other than the central premises when such central premises are closed for business or on any such premises when no key employee is present on the central premises.

(2) Notwithstanding the requirements of subrule (1), where bets are accepted or processed on a 24-hour basis on licensed premises by means of computer software which the Board has determined to operate independently and requires no supervision and minimal maintenance, the presence of a licensed key employee on such licensed premises shall be required only during the normal hours of business of the licence holder offering such betting.

30.060 Time of acceptance of bets

(1) Upon acceptance of a bet the holder of a bookmaker or totalisator licence shall –

- (a) issue a ticket to a player in exchange for cash; or
- (b) when a player is not physically present at the licensed premises, inform the player that the bet has been accepted and processed and provide sufficient information to uniquely identify the relevant bet to the player.

30.070 Cut-off time to accept and process bets

(1) The holder of a bookmaker or totalisator licence shall close all betting within fifteen seconds after a horserace has officially started, so that no further bets can be accepted and

processed by the computerised system and no further tickets can be issued in respect of such race: Provided that –

- (a) in respect of take-back or non-cash related bets entered into between licensed bookmakers, the time period of fifteen seconds shall not apply; and
- (b) in respect of non-cash related bets laid by bookmakers to players, a time period of twenty-five seconds shall apply;

and: Provided further that no bets contemplated in this subrule shall be laid or placed after the official results of the relevant race have been made known.

(2) In the event that the holder of a bookmaker licence utilises the services of an independent service provider to perform the functions as provided for in subrule (1) above on its behalf, then the obligations on the holder of a bookmaker licence contained herein will be applicable to the independent service provider: Provided that the independent service provider as referred to above holds a licence contemplated in section 23 of the Act.

(3) Subject to the subrule (1), no ticket with respect to horseracing events shall be issued after the official starting time, and any ticket so issued shall be deemed void for the purpose these Rules.

30.080 Bets finally determined

(1) Any bet shall be deemed to be determined when the outcome of the event or contingency to which such bet relates has become known. Bets accepted or laid once the outcome of the event has become known or had been known, will be void.

(2) The calculation of gambling tax will be in relation to subrule (1) above or such alternative method prescribed from time to time by the Board.

30.090 Payments of bets

A winning bet in respect of any contingency, whether payable in cash or otherwise, shall be payable only after the official result thereof has been made known in the manner required or approved by the Board and shall be paid immediately upon presentation thereof for payment.

30.100 Collection of winning bets

(1) If any winning amount payable by the holder of a bookmaker or totalisator operator licence in consequence of a bet is not collected within ninety (90) days of the date on which the outcome thereof was finally determined, such bet shall be payable at the discretion of the relevant licence holder, provided that any tax payable in respect of such a bet shall remain payable, irrespective of whether payment is effected.

(2) The holder of a bookmaker or totalisator operator licence shall, in a prominent position within its licensed premises where its licensed premises provides physical access to the public for betting purposes, display a notice informing players that winnings in respect of any bet must be claimed within ninety (90) days of the determination of the outcome of such bet.

30.110 Limits and other conditions

(1) In respect of open bets, the holder of a bookmaker licence shall clearly display all limits and conditions pertaining to betting units, the payout centre and the manner of payment on a notice board in or on the licensed premises where its licensed premises provides physical access to the public for betting purposes: Provided that any limit set in respect of payment of a winning bet –

- (a) shall specify the maximum amount payable in relation to a single unit, being a R1,00 unit, of any winning combination or bet type;
- (b) shall not stipulate that any such maximum amount payable will be payable per ticket issued; and
- (c) shall be deemed to specify the maximum amount payable in relation to a single (R1,00) unit of the applicable winning combination or bet type in all cases where the information appearing on the notice board contemplated in this rule is unclear.

(2) In respect of fixed odds bets, the holder of a bookmaker licence shall clearly display all limits and conditions on a notice board in or on the licensed premises where its licensed premises provides physical access to the public for betting purposes: Provided that any limit set in respect of payment of a winning bet –

- (a) shall specify the maximum amount payable in relation to an accumulation of bets per day relating to any winning combination or bet type; and
- (b) shall not stipulate that any such maximum amount payable will be payable per ticket issued.

(3) The holder of a bookmaker licence shall submit proposed limits and conditions pertaining to subrules (1) and (2) above to the Board prior to the implementation or any amendment thereof.

(4) The holder of a bookmaker licence shall prior to conducting any betting transactions via telephone, cellular phone or any other electronic media with a player –

- (a) furnish such player with a copy of the applicable limits; and
- (b) ensure that the signature of the player is appended to such copy and to retain such copy on its licensed premises until the account is permanently closed or for such extended period as the Board may specify.

30.120 Notice: "No more bets"

(1) The holder of a bookmaker or totalisator operator licence shall display in a prominent and visible place on the licensed premises where its licensed premises is open to the public for betting purposes a notice in large legible writing and in permanent ink where bets are offered on horseracing events, stating that –

- (a) no bets shall be accepted in respect of a horserace once such horserace has officially started; and
- (b) all bets placed on a horserace after the official starting time thereof will be void.

30.130 Records made available

(1) All registers, ledgers, books and records, or mechanical, electronic or computerised devices and software kept in or on the licensed premises of a bookmaker or totalisator operator, branch or agency, which are used or are capable of being used for the purpose of betting operations, shall be made available to the Board on request.

(2) The holder of a bookmaker or totalisator operator licence must submit to the Board copies of its audited annual financial statements and any reports communicating the results of an independent audit, including management letters, within one hundred and twenty (120) days, or such extended period approved by the Board, following the last day of such licensee's financial year.

(3) The holder of a bookmaker or totalisator operator licence must submit to the Board a betting tax return in the manner and format which the Board will determine from time to time as contemplated in the relevant provincial legislation.

(4) The holder of a bookmaker or totalisator operator licence must engage an independent auditor, registered in terms of the applicable law as being engaged in the public practice, who shall audit the licensee's annual financial statements in accordance with generally accepted auditing standards.

(5) The Board may request additional information or documentation from either the holder of a bookmaker or totalisator operator licence or its auditor, through the licensee, regarding the financial statements or the services performed by the auditor.

30.140 Records to be made available on cessation of operations, revocation or expiry of licence

(1) Where the licensed activities authorised by the holder of a bookmaker licence, totalisator operator, branch or agency licence are obliged to cease, as a result of –

- (a) the abandonment of such licence by the licensee;
- (b) the revocation of such licence by the Board; or
- (c) the expiry of such licence, in the event that it is not renewed.

such licence holder shall, within five working days of such cessation, submit to the Board, for the purposes of a close-down audit, all books and records kept by it in terms of the Regulations or these Rules in respect of the relevant licensed operations.

(2) Notwithstanding any cessation of licensed operations contemplated in this rule, a licence holder contemplated in subrule (1) shall be liable for –

- (a) all outstanding licence fees;
- (b) taxes and levies; and
- (c) other gambling obligations

revealed by the close-down audit to be due and payable or identified during such audit, as the case may be.

CHAPTER XXXI
RECORDING OF BETS ON LICENSED PREMISES BY THE HOLDER OF A
BOOKMAKER LICENCE

31.010 General provisions

(1) Subject to the provisions of Rule 31.050, the holder of a bookmaker licence shall only use a computerised record-keeping system approved by the Board and any upgrades, amendments or improvements thereto approved by the Board, for the purpose of recording betting transactions.

(2) The utilisation and operation of an approved computerised record-keeping system as contemplated in subrule (1), must be performed as prescribed in these Rules to the extent that the requirements and obligations contained herein are reasonably considered to be within the licensee's control.

(3) Controls relating to the physical and logical security of the system shall be contained in the licensee's internal control procedures.

31.020 Computerised backups

(1) The holder of a bookmaker licence shall make a daily backup in duplicate of all operational data contained in its approved wagering record keeping system pertaining to all contingencies on which betting of any nature is offered, on compact disc or such other storage device as may be required or approved by the Board.

(2) The holder of a bookmaker licence shall ensure that the computerised backups contemplated in subrule (1) are compiled in such a manner that –

(a) all events on which betting was offered shall be closed and recorded as such after the results of the event had been made known and the backup shall reflect the closed state of the event;

(b) all events on which betting was offered shall contain complete and accurate records of all results for all the different bet types on which betting was offered by the holder of a bookmaker licence;

(c) the correct names, as advertised, of each venue in respect of which betting was offered shall be recorded;

(d) complete and accurate records of all accounts receivable and payable of betting clients or players must be maintained;

(e) accounts receivable and payable of betting must only contain betting transactions between a client or player concerned and the holder of a bookmaker licence; and

(f) accounts receivable and payable of betting transactions between holders of bookmaker licences may only relate to betting transactions directly related to the two licensees concerned which may not include betting transactions in relation to a third party.

(3) One copy of the backups contemplated in this Rule shall be retained in a secure place of storage on the licensed premises, or on such other premises as may be approved by the Board, for a period of five (5) years from the date of creation thereof, or such further period, pending any investigation, as the Board may require.

(4) The holder of a bookmaker licence shall record within the computerised backups or personal file as the case may be the personal details of all players and holders of a

bookmaker licences with whom the bookmaker has laid bets on account, credit or take-back bets, containing, at a minimum –

- (a) in the case of a legal person –
- (i) the name of the entity;
 - (ii) the registration number of the entity;
 - (iii) the registered trading address of the entity;
 - (iv) the telephone number at which the entity can be reached;
 - (v) the code or abbreviation used for the identification of such entity by the bookmaker (where applicable); and
 - (vi) the account number used in respect of such entity; or
- (b) in the case of a natural person –
- (i) the name and surname of the person;
 - (ii) a copy of the personal identification document, drivers licence or passport of the person;
 - (iii) the residential address of the person substantiated by supporting documentation;
 - (iv) the telephone number at which the person can be reached;
 - (v) the code or abbreviation used for the identification of such person by the bookmaker (where applicable); and
 - (vi) the account number used in respect of such person.
- (5) Restoring or replacing a database is prohibited without the approval from the Board, which may be required in a prescribed format.
- (6) A bookmaker shall ensure that every duplicate backup disc or other storage device retained by the licence holder in terms of this rule clearly specifies in printed text on the exterior thereto –
- (a) the name of the licence holder to which the disc or other storage device relates;
 - (b) the name of the licensed premises to which the disc or other storage device relates provided that where the holder of a bookmaker licence offers betting on more than one licensed premises, and all betting transactions conducted are centrally monitored and controlled on one licensed premises (“the central premises”), it shall be sufficient for the name of the licensed central premises to be appended to the disc or other storage device; and
 - (c) the calendar month and year to which the disc or other storage device relates.

31.030 Printouts

The holder of a bookmaker licence shall, on request, produce such printouts of information contained in its records as the Board may require from time to time.

31.040 Tickets

- (1) At a minimum, any ticket issued to a player shall contain –
- (a) the ticket number;
 - (b) the type of event or contingency;
 - (c) the date of the event or contingency;

- (d) the date and time the ticket was issued;
- (e) the name or identifying number of the event or contingency;
- (f) the venue of the event or contingency;
- (g) the subject in respect of which the bet is laid;
- (h) the player's stake;
- (i) the bookmaker's commitment;
- (j) the bet type;
- (k) the name of the holder of a bookmaker licence; and
- (l) the address of the licensed premises.

31.050 Back-up procedure

(1) In the event of a power failure or system failure, a manual system of wagering record keeping may be implemented by the holder of a bookmaker licence to process bets: Provided that –

- (a) the licence holder immediately informs the Board of the power or system failure telephonically, by way of a facsimile transmission or email: Provided that a confirmation of the successful transmission thereof has been generated;
- (b) the licence holder notes, in a register kept for such purpose –
 - (i) the exact date and time of the failure;
 - (ii) the nature of the failure; and
 - (iii) the duration of the failure, specifying the exact date and time that reconnection to the system is established;
- (c) all bets laid or taken by the licence holder during the failure shall simultaneously be manually recorded in a numbered ticket book, a field book and register used to keep record of all ticket books, field books and statement of account books; and
- (d) upon reconnection to the power or system, all transactions manually recorded in the ticket book pursuant to paragraph (c) shall be recreated on the computerised wagering system and cross-referenced with the corresponding numbers in the ticket book.

(2) Notwithstanding the provisions of subrule (1), the Board may, in respect of power or system failures generally, require or on written application by a licensed bookmaker, approve

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- (a) the use of a master-slave system, which shall operate in such a manner that the master and slave components of the system have identical capabilities and may operate independently of one another without in any way compromising any of the system requirements laid down by the Board; or
- (b) the use of an acceptable alternative source of electrical power generation on the licensed premises.

CHAPTER XXXII **RECORDING OF BETS ON LICENSED PREMISES BY THE HOLDER OF A** **TOTALISATOR OPERATOR LICENCE**

32.010 General provisions

(1) A totalisator operator shall use only such computerised record-keeping system and upgrades, amendments or improvements thereto as have been approved by the Board for the purpose of recording betting transactions.

(2) Controls relating to the physical and logical security of the system shall be contained in the licensee's internal control procedures.

32.020 Computerised backups

(1) A totalisator operator shall make a daily backup of all operational data contained in its approved computerised record-keeping system pertaining to all contingencies on which betting is offered, on compact disc or such other storage device as may be required or approved by the Board, which shall be retained in a secure place of storage on the licensed premises, or on such other premise as may be approved by the Board, for a period of five (5) years from the date of creation thereof, or such further period, pending any investigation, as the Board may require.

(2) A totalisator operator shall, quarterly, before the 15th day of the subsequent month, in respect of the transactions concluded during the preceding quarter, provide the information contemplated in sub paragraph (1) to the Board in the prescribed format.

(3) A totalisator operator shall record the personal details of all players with whom it has laid bets on account or credit containing, at a minimum –

(a) In the case of a legal person –

- (i) the name of the entity;
- (ii) the registration number of the entity;
- (iii) the registered trading address of the entity;
- (iv) the telephone number at which the entity can be reached;
- (v) the code or abbreviation used for the identification of such entity by the totalisator (where applicable); and
- (vi) the account number used in respect of such entity; or

(b) In the case of a natural person –

- (i) the name and surname of the person;
- (ii) a copy of the personal identification document, drivers licence or passport of the person;
- (iii) the residential address of such person substantiated by supporting documentation;
- (iv) the telephone number at which such person can be reached;
- (v) the code or abbreviation used for the identification of such person by the totalisator (where applicable); and
- (vi) the account number used in respect of such person.

(4) Restoring a database is prohibited without the approval from the Board, which may be required in a prescribed format.

(5) A totalisator operator shall ensure that every duplicate backup disc or other storage device retained by the licence holder in terms of this rule clearly specifies in printed text on the exterior thereof –

(a) the name of the licence holder to which the disc or other storage device relates;

- (b) the name of the licensed premises to which the disc or other storage device relates; and
- (c) the calendar month and year to which the disc or other storage device relates.

32.030 Tickets

(1) Any ticket issued by a totalisator operator to a player shall contain, at a minimum –

- (a) the ticket number;
- (b) the type of event or contingency;
- (c) the date of the event or contingency
- (d) the time the ticket was issued;
- (e) the name or identifying number of the event or contingency;
- (f) the venue of the event or contingency;
- (g) the subject in respect of which the bet is laid;
- (h) the player's stake;
- (i) the code number of the licensed totalisator operator, and
- (j) the code number of the totalisator terminal at which the ticket was issued.

32.040 Commingling initiatives

(1) Any commingling agreements with foreign totalisator operators must be approved by the Board before the implementation thereof by the holder of a totalisator operator licence.

(2) Every application for the approval of commingling agreements with a foreign totalisator operator must disclose the take-out rates in respect of each bet type to be made available, and include calculations from which it may be reasonably be concluded that the implementation of the agreement will not lead to a contravention of the Mpumalanga gambling legislation.

(3) In respect of commingling agreements with foreign totalisator operators –

- (a) unless otherwise stipulated or required by the Board, the Rules in respect of totalisator betting of the host operator in respect of the event in question ("the host rules") will apply;
- (b) The host rules must be approved by the Board before the implementation of the agreement;
- (c) on all occasions that betting is conducted pursuant to such an agreement, the licence holder must have a copy of the host rules available for perusal by the public;
- (d) a notice, in the form required by the Board, must be given to the public, of such deviations between the host rules and the legislation, regulations, rules, policies and/or general practice in force in Mpumalanga as the Board may require; and
- (e) sufficient written confirmation that approval has been obtained from the South African Reserve Bank which must be submitted to the Board.

(4) Players betting on commingled events shall be pertinently notified of the exchange rate operative in respect of such betting transactions, as well as the fact that such rate is fixed on the morning of the event and will not be affected by any exchange rate fluctuations which might occur during the course of the day in question.

32.050 Aggregate takeout

- (1) A totalisator operator shall, by no later than the end of the month immediately following a quarter, submit to the Board in the format required by it, all average return to player percentages in respect of transactions concluded during the preceding quarter on all events to which any commingling agreement with a foreign totalisator operator relates.
- (2) All average return to player percentages referred to in subrule (1) shall be calculated per day over a three month period.

32.060 Notice: "20 or more runners"

The holder of a totalisator operator licence shall inform its clients or players that where, in respect of a horserace, there is a field in excess of 20 runners, all runners bearing the number 20 and higher shall be treated as a single runner (bearing the number 20, even if the runner actually bearing the number 20 is scratched), and that, notwithstanding the official result, all such runners shall be deemed to finish in the place that the first of such runners finishes.

CHAPTER XXXIII
WAGERING RECORD-KEEPING SOFTWARE

33.010 Approval of betting devices and computer software programmes

- (1) A manufacturer or distributor shall not distribute betting devices or computer software programmes and, subject to Rule 33.030, any upgrades, amendments or improvements thereto in the province and the holder of a bookmaker or totalisator operator licence shall not acquire, utilise or expose such for betting unless the betting device or computer software programme and upgrades, amendments or improvements thereto has been certified in the manner contemplated in Rule 33.020 and approved by the Board.
- (2) An application for approval of new betting devices and computer software programmes shall include a complete, comprehensive, and technically accurate description and explanation, in both technical and lay language, of the manner in which the betting device or computer software operates.

33.020 Minimum standards for betting

- (1) No betting device or computer software programme shall be approved by the Board unless it has been tested in terms of the applicable SANS Standards, certified by the National Regulator for Compulsory Specifications and approved by the Board.
- (2) The Board's approval of a betting device or computer software programme shall not constitute a guarantee of its performance nor its safety.
- (3) The betting device(s) or software system(s) approved by the Board is for mere record-keeping purposes and does not usurp the functions of the Board in terms of auditing a licensed operator's financial position for tax purposes.
- (4) The Board is not bound to incorrect calculations generated by an error or malperformance in the software approved by the Board.

33.030 Change control management

- (1) All software media submitted to the Board shall be clearly labelled, and shall contain sufficient information to identify the version and modification level.

(2) The identifying information utilised shall strictly follow the supplier's identification system, as detailed in its software configuration control procedures.

(3) Each software revision must indicate the category, effect or impact, reason for change and summary of change, modules affected and consequences if not approved and be implemented accordingly.

(4) The supplier shall ensure that the new version of software submitted are cross-referenced back to previous certified releases, adhere to the conditions set forth therein where approval is granted.

(5) The Board may from time to time issue guidance notices with respect to change control management.

33.040 Time of computerised record-keeping systems

(1) The holder of a bookmaker or totalisator operator licence which uses a computerised record-keeping system to process bets and issue tickets shall, on a daily basis, ensure that the time on the internal clock of the file server in use does not differ from the Standard South African time by more than ten seconds: Provided that if at any stage the time difference exceeds the prescribed norm, such licence holder shall adjust the time on the clock of the file server accordingly.

(2) It shall be the responsibility of every licence holder contemplated in subrule (1) to ensure that, before a race meeting or sport event starts, the time on the file server corresponds with the Standard South African time.

Commencement

23. The amendments to the Rules shall come into operation ninety (90) days after the date of publication in the *Provincial Gazette*.

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