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**PROVINCIAL NOTICE**

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**No. 195**

**5 December 2013**



**KWAZULU-NATAL GAMING AND BETTING  
BOARD**

**GAMING RULES 2013**

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## **PART 1 GENERAL**

### **CHAPTER 1 CONSTRUCTION AND DEFINITIONS**

#### **1.1 Promulgation, Amendment, Modification and Repeal**

- (1) The following Rules are issued in terms of Section 7 of the KwaZulu-Natal Gaming and Betting Act, No. 08 of 2010. The Board will, from time to time, promulgate, amend and repeal these Rules, consistent with the objects and purposes of the Act, as it may deem necessary in carrying out the provisions of that Act.
- (2) These Rules come into effect on the first day of the sixth month following the publication in the Provincial Gazette.
- (3) All Gaming rules previously made by the Board are repealed on the date on which these Gaming Rules come into effect.

#### **1.2 Applicability**

- (1) These Rules are applicable to all applicants and/or licensees within the Gaming Industry, including holders of National licences operating in the province in terms of the KZN Gaming and Betting Act, and are set out in the following manner:
  - (a) **Part 1** is applicable to all applicants and licensees within the Casino, LPM and Bingo sectors of the Gaming Industry.
  - (b) **Part 2** is applicable to all applicants, casino licensees, manufacturers, suppliers and maintenance providers within the casino industry.
  - (c) **Part 3** is applicable to all applicants, route operator, site operator licensees, manufacturers, suppliers and maintenance providers within the LPMs industry.
  - (d) **Part 4** is applicable to all applicants, bingo licensees, manufacturers, suppliers and maintenance providers within the bingo industry.

#### **1.3 Dispensation**

- (1) A licensee may apply to the Board for a dispensation in respect of any aspect contained in these Rules, the Board's Minimum Internal Control Standards and Procedures, Schedule 1 to these Rules, in the manner prescribed in the Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.
- (2) Notwithstanding anything to the contrary contained in these Rules, the Board may, on prior written application, or as may be determined by the Board from time to time, condone non-compliance with these Rules and grant special dispensations with

regard to anything contained in these Rules in the manner and under the conditions determined by the Board.

#### 1.4 Construction

- (1) Any provision of the Act, Regulations or any other applicable statute will take precedence over these Rules in the event of any conflict therewith.
- (2) Where applicable, the Board's requirements for minimum internal control standards and procedures, (Schedule 1 to these Rules), must be applied in conjunction with the relevant Rules.
- (3) Schedule 2 to these Rules includes the relevant application forms to be used by applicants/licenseses.

#### 1.5 Severability

If any provision of these Rules is held to be invalid, unenforceable, or in conflict with the Act, Regulations, or any other applicable statute, the validity of the remaining Rules shall not in any way be affected.

#### 1.6 Enforcement Provision

Any failure to comply with, or any contravention of any provision of these Rules, will be regarded as an offence and the Board may conduct an enquiry into any alleged contravention of the Rules, and take appropriate action in accordance with Section 87 of the Act.

#### 1.7 Definitions in the Act

In these Rules, any word or expression defined in the Act must have the meaning ascribed to it in the Act, unless no such definition is contained therein, in which case the definitions in the Rules will apply.

#### 1.8 General Definitions

In these Rules, unless the context indicates otherwise:-

**"Act"** means the KwaZulu-Natal Gaming and Betting Act (Act No 08 of 2010);

**"Board"** means the KwaZulu-Natal Gaming and Betting Board established in terms of Section 5 of the KwaZulu-Natal Gaming and Betting Act, Act 8 of 2010;

**"Cheating device"** includes any device or equipment that is used for cheating or conducting fraudulent activities in contravention with the Act, Regulations and Rules;

**"Company"** means any company as defined in the Companies Act, 2008 (Act No 71 of 2008);

**"Establishment"** means any licensed premises contemplated in the Act where business is

conducted, and includes all buildings, improvements, equipment and facilities used, or maintained, in connection with such business;

**"Funds"** means money, or any other instrument of value;

**"ICS"** means the approved internal control standards of the holder of a licence containing the gambling-related provisions prescribed by the Act, or required by the Board and includes, without limitation, all gambling-related policies, operating, administrative and accounting procedures and standards to be adhered to by the operator, or on a licensed site.

**"Incompatible functions"** means functions, including accounting and control functions, where employees of different departments are not supervised independently of one another, which functions overlap and have the potential to enable a person, or department, to commit fraud and/or conceal errors in the normal course of their duties.

**"Manufacturer, maintenance provider or supplier"** means a person contemplated by section 66 of the Act;

**"Modification"** means a change, or alteration, to an approved gaming device, which affects the manner or mode of play, of the machine, including a change to the control or graphics programmes, but excluding -

- (a) Any gaming device conversion;
- (b) The replacement of one component with another pre-approved component;
- (c) The rebuilding of a previously approved device with pre-approved components;
- (d) A change in the return to player, or theoretical hold percentage, of a gaming machine: provided that the altered return to player, or hold percentage, meets the requirements of the regulations; or
- (e) A change in the return to player, or theoretical hold percentage, of a gaming machine, which results from a top award jackpot or bonus jackpot payment, which is paid directly by the licensee and which is not accounted for by the gaming machine;

**"National Gambling Act"** means Act 7 of 2004, as amended;

**"Registered employee"** means the holder of a key, or gambling employee licence, contemplated in the Act;

**"Regulations"** mean the Regulations made in terms of the Act;

**"SABS"** means the South African Bureau of Standards;

**"SANS"** means the South African National Standards;

**"Significant events"** means a set of operational conditions recorded by the Monitoring Control System for gaming machines and equipment during a game, during idle mode, or during data interchange with another gaming device;

**"Supplier"** means any person who is registered as a supplier in terms of the Regulations and who makes, sells, leases, markets, offers, or otherwise distributes, any gaming equipment for use, or play, in the province, or sells, leases, or otherwise distributes, any gaming equipment from a location within the province; and

**"Wager"** means the staking of money, cash equivalent, or other thing of value, on the unknown result of a future event, for the sake of a return at the risk of losing all, or a portion of, the stake.

## **CHAPTER 2 GENERAL RULES (CASINO, LPM AND BINGO)**

### **2.1 Calculation of Time Periods**

Where any time period is prescribed in these Rules, that time period will exclude the first day and include the last day.

### **2.2 Requests for Information, Documents or Records of the Board**

- (1) No person may directly or indirectly procure, or attempt to procure, from the records of the Board, any information that is not made available by proper authority.
- (2) A licensee must obtain information from the Board as contemplated in the Promotion of Access to Information Act, 2000, in accordance with that Act.
- (3) The person requesting information, documents or records from the Board must apply to the Board in the manner prescribed in the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules, and must provide reasons for such request.

### **2.3 Applications to the Board**

- (1) Where applicable, every application that requires approval from the Board in terms of the Act, Regulations, or these Rules, must be undertaken in the manner prescribed in the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.
- (2) Licensees must utilise the respective prescribed forms as detailed in Schedule 2 to these Rules and, where applicable, make the required payment in terms of Schedule 2 of the Act.

#### **2.3.1 Application for Consent to Acquire a Controlling or Financial Interest in a Licensee**

Any person who wishes to acquire a controlling interest, or a financial interest of five percent or more in a business to which the licence relates, must apply to the Board for consent in the manner prescribed in the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.

#### **2.3.2 Application for Transfer of Licence**

A licensee who wishes to transfer his/her licence to another person must apply to the Board for the granting of such transfer, in the manner prescribed in the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.

### **2.3.3 Application for Amendment, Substitution or Rescission of a Condition Attached to a Gaming Licence or Certificate of Registration**

Any licensee or registrant who wishes to apply to the Board for the amendment, substitution or rescission of a condition attached to a gaming licence, including amendment to a licence for the purposes of changing any gaming equipment, or gaming machine, specified therein, or a condition attached to a certificate of registration, must do so in the manner prescribed in the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.

### **2.3.4 Application for Renewal of Licence**

At least sixty (60) days prior to the date on which a licence becomes renewable, a licensee must apply to the Board for renewal of such licence in the manner prescribed in the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to the Rules.

## **2.4 Internal Control Standards ("ICS")**

- (1) Each licensee must develop, maintain and implement ICS that ensure that:
  - (a) The integrity of its gambling operation is maintained at all times;
  - (b) Adequate controls are in place to effectively manage and minimise gambling-related risks;
  - (c) Gambling-related devices, documents and information are properly controlled and safeguarded;
  - (d) Financial and other gambling-related records are accurate and reliable;
  - (e) Gambling-related transactions are performed with the necessary authorisation;
  - (f) Gambling-related transactions are recorded in sufficient detail;
  - (g) The proper reporting of gambling revenue, taxes and other fees due; and
  - (h) Gambling-related functions, duties and responsibilities are appropriately segregated and performed in accordance with sound practices by appropriately registered/licensed employees.
- (2) A licensee must apply to the Board for approval of its ICS in the manner prescribed in the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.
- (3) A licensee must not commence any gambling or gambling-related activities prior to the approval of its internal control systems and procedures having been granted by the Board.

- (4) Notwithstanding the required general standards and those specific to the Casino, LPMs and Bingo sectors, as contained in Schedule 1 to these Rules (Minimum Internal Control Standards and Procedures), all licensees ICS must contain, where applicable detailed provisions and procedures relating to the following –
- (a) Organisational structure;
  - (b) Jobs' compendium;
  - (c) Maintenance of employee records;
  - (d) Operating hours;
  - (e) Measures for the maintenance of gambling areas and licensed premises to ensure compliance with the provisions of the Act, Regulations, these Rules and relevant legislation;
  - (f) Control measures to preclude persons under the age of eighteen (18) years from having access to gambling areas at a site;
  - (g) Access to all gambling areas, including secured areas on the premises;
  - (h) Resolution of patron disputes/complaints;
  - (i) Authorisation of the allocation of user-access rights;
  - (j) Ordering, receipt, securing, distribution responsibility of all controlled stationery;
  - (k) Retention of unclaimed monies;
  - (l) Controls relating to monitored keys; damaged, stolen, duplicated and unused keys and the disposal thereof;
  - (m) Payment of gratuities to staff; and
  - (n) Any other document as may be determined by the Board.
- (5) A licensee must not amend its internal control systems, or implement any new, or revised, policies, procedures or standards contained, or required to be contained, in its internal control standards without the prior written approval of the Board.
- (6) The Board may order a licensee to amend its internal control systems and procedures if, in the opinion of the Board, they do not comply with the requirements of sub-rule (1).
- (7) If the licensee contravenes any provision or procedure of its approved systems, or omits to amend its ICS (internal control systems and procedures) within thirty (30) days of receiving an order from the Board to do so, such contravention or omission will be regarded as an offence.

## 2.5 Amendments to Internal Control Standards

A licensee may apply to the Board for approval of amendments to ICS in the manner prescribed in the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.

## 2.6 Organisational Structures

- (1) Every licensee must develop and implement for inclusion in its ICS, an organisational structure that provides for the following:
  - (a) A system of personnel and a chain of command that permits management and supervisory personnel to be held accountable for actions, or omissions, within their areas of responsibility;
  - (b) The segregation of incompatible functions so that employees are not able to make errors or commit fraud, and to conceal such errors or fraud, in the course of their duties;
  - (c) Primary and secondary supervisory positions, which permit the authorisation or supervision of transactions at all relevant times;
  - (d) The division of responsibility and accountability so as to prevent any area of accountability or responsibility, to become so extensive that it becomes impractical for one person to perform, supervise, or control, and
  - (e) Any other function the Board may determine from time to time.
- (2) Every licensee must, at all times, maintain a level of staffing which ensures the proper operation and effective supervision of all gambling-related activities.

## 2.7 Jobs' Compendium

- (1) Every licensee must prepare and maintain a jobs' compendium within its ICS, detailing job descriptions and lines of authority for all personnel engaged in the gaming operations, in accordance with the Regulations and Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.
- (2) Unless otherwise directed by the Board, the jobs' compendium referred to in sub-rule (1) must be submitted to the Board for approval at least sixty (60) days prior to the projected date of commencement of operations.
- (3) No licensee may commence gaming operations unless, and until, the jobs' compendium has been approved by the Board.
- (4) Any proposed amendment to a previously approved jobs' compendium must be submitted to the Board, in the manner prescribed in the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules, at least sixty (60) days prior to the proposed date on which the amendment is to be implemented, and must be approved by the Board prior to its implementation.



- (5) Should the Board determine that any job description and/or tables of organisation contained in a jobs' compendium fails to conform with the licensing, registration and chain-of-command requirements of the Act, Regulations or Rules, the licensee may be required to effect the appropriate alterations prior to approval being granted.

## **2.8 Registration of Persons**

- (1) A licensee must ensure that all employees required to be registered in terms of the Act, Regulations and the Rules, are registered in the manner prescribed in the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.
- (2) The Board may grant an application for registration with or without conditions, and may refuse an application in accordance with the Act.

## **2.9 Registration of Persons Associated With Provision of Gaming Equipment**

Any person who wishes to manufacture, sell, make available, lease, distribute, import, market, maintain, service, or repair any gaming equipment must first apply to the Board for registration in the manner prescribed in the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.

## **2.10 Suitability of Third Parties/Certificate of Suitability**

- (1) Where the Board requires a licensee to disclose the detail of any contract or agreement in terms of Section 46, such information must be provided to the Board within ten (10) days of written request issued by the Board.
- (2) Where the Board requires any supplier for the purchase, hire, or lease, of gaming equipment, goods and services and any lender, borrower, lessee or lessor, to make application to the Board for a certificate of suitability, the procedure, as prescribed in the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules, must be followed.

## **2.11 Control of Premises**

- (1) Whenever the premises to which an application relates is not wholly owned by the applicant, the applicant must furnish the Board with the following:
- (a) Name and address of the owner, or owners, of such premises;
  - (b) A copy of the agreement whereby the applicant is entitled to occupancy of the premises; and
  - (c) Such other information as the Board may require.

- (2) Every licensee must furnish the Board with complete written information as to any change of ownership of the premises within thirty (30) days after becoming aware of such change.

#### **2.12 Gambling Premises**

- (1) Licensees must comply with the requirements of the National Gambling Regulations pertaining to:
  - (a) Cash dispensing machines and the placement thereof;
  - (b) Signage, posters and pamphlets pertaining to addictive and problem gambling; and
  - (c) Information signs warning of gambling activities.
- (2) In addition to the above, licensees are required to clearly display information in respect of the following:
  - (a) Underage gambling – that no persons under the age of eighteen (18) are allowed in the gambling areas; and
  - (b) Details of where patrons may have access to the licensee's Terms and Conditions and gaming information.

#### **2.13 Relocation of Business to Other Premises**

- (1) A licensee may not relocate to other premises without prior written approval from the Board.
- (2) A licensee must apply to the Board for the relocation, whether permanently or temporarily, of his or her business from the premises specified in the licence to other premises, in the manner prescribed in the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.

#### **2.14 Access to Premises and Production of Records**

- (1) A licensee may not neglect or refuse to produce records or evidence, or give information, upon proper and lawful demand by the Board or its agent, nor may he or she otherwise interfere, or attempt to interfere with any proper and lawful efforts by the Board, or any authorised agent, to produce such information.
- (2) Every licensee must on request make available for inspection by the Board or its agent, all records required to be maintained in terms of the Act, the Regulations and these Rules.
- (3) Every licensee must allow the Board or its agent access to its premises, including examination of any equipment used directly or indirectly in the conducting of gaming activities.

### **2.15 Record Retention**

Unless the Board approves, or requires otherwise in writing, each licensee must retain such records as may be specified by the Act, Regulations or these Rules for a period of at least five (5) years after they are produced.

### **2.16 Notification to Board of Disqualifying Information**

- (1) A licensee must notify the Board in writing within twenty-four (24) hours upon becoming aware of any disqualifying information in terms of the Act of any owner, director, officer or registered employee in the manner prescribed in the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.
- (2) In so far as is possible, the licensee must disclose the nature of the disqualifying information referred to in sub-rule (1) above.

### **2.17 Reports of Cheating or Contravention of the Act, Regulations or Rules**

- (1) Every licensee must record any acts of cheating or contravention of the Act, Regulations or Rules in its daily surveillance log and must notify the Board in writing, in the manner prescribed in the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules, within twenty-four (24) hours of the discovery thereof.
- (2) Every licensee must provide the Board with details in writing of any action taken, or being taken, by such licensee, within seven (7) days of the action having been taken against any person for cheating or contravening the Act, Regulations or Rules.

### **2.18 Control of Evidence and Destruction of Cheating Devices**

The licensee must develop internal control systems and procedures for the handing over of any article or property which article, or property, constitutes a cheating device to the Board, in accordance with the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.

### **2.19 Extension of Time for Reporting**

- (1) The Board may on application, extend any time period prescribed in the Act, Regulations and Board Rules.
- (2) A licensee must apply in writing to the office of the Board, in the manner prescribed in the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules, providing reasons for any extension of time for filing any report or document required by the Act, the Regulations, or these Rules.

## **2.20 Excluded Persons**

- (1) A licensee must develop and implement procedures to enable patrons to lodge a request to be excluded from participating in gambling in accordance with the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.
- (2) Each licensee must ensure that all persons who have been placed on a self-exclusion list are removed from its mail-marketing list and guest loyalty programmes, and precluded from further participating in the licensee's credit facilities.
- (3) The licensee must, on a monthly basis, supply the Board with details of persons who requested to be excluded from gambling.

## **2.21 Credit Extension**

A licensee may extend credit to a patron only in accordance with the requirements of the National Gambling Regulations, 2004 and subject to the National Credit Act, No. 34 of 2005, the Consumer Protection Act No. 68 of 2008 and other relevant legislation.

## **2.22 Advertising**

All licensees must comply with the restrictions and requirements pertaining to advertising as specified in the National Gambling Regulations, 2004, as contained in the Board's Minimum Internal Control Standards and Procedures, Schedule 1 to these Rules.

## **2.23 Management of Complaints or Disputes**

### **2.23.1 Record of Complaints or Disputes**

- (1) Every licensee must record, resolve, or refer to the Board, complaints or disputes.
- (2) All complaints or disputes raised by player/patron(s) must be recorded in a Complaints/Disputes Register.
- (3) The licensee must develop procedures for the recording, resolving and referral to the Board, of disputes or complaints, in accordance with the Board's Minimum Internal Control Standards and Procedure, as contained in Schedule 1 to these Rules.

### **2.23.2 Lodging of Gaming Dispute to the Board**

- (1) Any patron or licensee may refer a gaming dispute to the Board.
- (2) Any patron, or licensee, who wishes to submit a gaming dispute to the Board, must do so in the manner prescribed in the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.

- (3) If any party to a dispute fails to appear before the Board after having received not less than fourteen (14) days written notice to do so, the Board may proceed to consider and adjudicate upon the dispute in his or her absence.

## **2.24 Disciplinary Proceedings (Section 87)**

- (1) When a licensee is summonsed to a Section 87 enquiry by the Board, such licensee or duly authorised representative must attend such enquiry on the date and time specified in a charge sheet.
- (2) A licensee is entitled to legal representation at such proceedings.
- (3) Failure to attend any such enquiry, without a valid reason, may result in a finding being made against such licensee in his/her absence.

## **2.25 Administration and Accounting Systems**

### **2.25.1 Calculation of Taxes and Levies**

- (1) A licensee must maintain all hard and soft records used to calculate gross gaming revenue, or any other applicable taxes, fees or levies, failing which the Board may calculate, or estimate, the amounts due upon the basis of any information within the Board's possession, including statistical analysis.
- (2) A licensee must supply to the Board all required documentation and access to its systems to verify the reported taxes, fees and levies.
- (3) A licensee must develop internal control systems and procedures to ensure the accurate calculation of taxes, fees and levies, in accordance with the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.

### **2.25.2 Additional Assessment in Respect of Underpayment of Gaming Tax**

Where the licensee is issued with an additional tax assessment in respect of underpaid gaming taxes, the licensee must pay the amount due within seven (7) days of the date of receipt thereof, or such longer period as the Board may determine.

### **2.25.3 Claims for Refund or Overpaid Gaming Tax**

- (1) Any claim for a refund of overpaid gaming tax must be lodged with the office of the Board within three (3) years after the financial year-end relating to the year in which the overpayment was made, failing which, such overpayment will be forfeited to the Provincial Revenue Fund.
- (2) Such claim must contain the legal basis for the claim and the licensee's calculations of the amount of the refund.

- (3) A licensee must apply to the Board for any claims for the refund or overpaid gaming tax in the manner prescribed in the Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.

#### **2.25.4 Patron Cash or Cash Equivalent Deposits**

- (1) A licensee must maintain accurate records of all patron deposits, running totals and reconciliations.
- (2) A licensee must develop internal control systems and procedures to properly account for patron cash, or cash equivalent, deposits, in accordance with the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.

#### **2.25.5 Retention of Unclaimed Money or Instruments of Value**

- (1) A licensee must maintain a register of all money, or instruments of value, which have not been claimed at the end of a shift.
- (2) Access to the records of unclaimed money must be restricted to authorised personnel only.
- (3) A licensee must notify the Board of the details of any unclaimed amounts every six (6) months.
- (4) Any unclaimed prizes must not be deducted for purposes of calculating gaming tax.
- (5) A licensee must develop internal control systems and procedures to deal with the retention of unclaimed monies, in accordance with the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.

#### **2.25.6 Cash Desk Funds**

The licensee must include in its ICS, internal control systems and procedures pertaining to Cash Desk Funds, in accordance with the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.

### **2.26 Gaming Machines and Gaming Equipment**

#### **2.26.1 Certification of Gaming Machines and Gaming Equipment by the South African Bureau of Standards (SABS)**

- (1) All gaming machines and gaming equipment submitted to the Board, for approval, must be certified by the SABS as meeting the requirements of SANS 1718, or such standard as the Board may determine in terms of Section 59.
- (2) All costs involved in obtaining the certification and approval by the SABS and obtaining the Board's approval and registration of such machines and/or equipment must be borne by the person making the submission.

### **2.26.2 Gaming Machine and Gaming Equipment Standards**

- (1) A licensee must not install, or use, gaming equipment without the prior written approval of the Board, who will maintain a list of such equipment.
- (2) In considering an application for approval of gaming equipment, the Board may take into account the approval of such equipment by another gaming jurisdiction.
- (3) A licensee must not alter the manner in which gaming equipment operates without the prior written approval of the Board.
- (4) All gaming machines in respect of functioning meters and gaming machines with currency acceptors must comply with the requirements as contained in the Board's Minimum Internal Control Standards and Procedures, Schedule 1 to these Rules.
- (5) Machines must retain the same assigned asset number for as long as the machine is in the licensee's possession.

### **2.26.3 Registration of Gaming Machines and Gaming Equipment**

- (1) A licensee required to register any gaming equipment or machines in accordance with Section 59 of the Act must apply to the Board for approval of such registration in the manner prescribed in the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.
- (2) Every application for registration of new gaming machines and gaming equipment must include, in addition to such other information as may be required by the Act, a Letter of Certification "LOC" (i.e. complete, comprehensive and technically accurate description and explanation, in both technical and lay language, of the manner in which the machines and/or equipment may operate).
- (3) The Board may approve such registration of gaming machines, or gaming equipment, subject to any conditions, or it may refuse such application.

### **2.26.4 Deregistration of Gaming Machines and Gaming Equipment**

A licensee required to deregister any gaming equipment, or machine, in accordance with the Regulations must apply to the Board for approval of such deregistration in the manner prescribed in the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.

### **2.26.5 Alterations or Modification of Gaming Machines and Gaming Equipment**

- (1) A licensee who intends to alter the operation of, or modify any properly registered and approved gaming machines and equipment, in accordance with the Regulations, must apply to the Board for prior approval of such alteration or modification.

- (2) A licensee must comply with the Board's application procedure as contained in the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.
- (3) The Board may approve such alteration of or modification to, registered or approved gaming machines and equipment, subject to any condition, or it may refuse such application.
- (4) Any modifications to a gaming machine, or gaming equipment, must be undertaken by persons who are registered, or licensed, by the Board and must only be made on receipt of the written approval of the Board.
- (5) A registered manufacturer, maintenance provider, or the licensee's technical personnel who converts a gaming machine from one approved game configuration to another, must maintain complete and accurate records of all such conversions.

#### **2.26.6 Marking and Distribution of Gaming Machines and Gaming Equipment**

- (1) A manufacturer or supplier registered by the Board, or a licensee, must not supply gaming machines or gaming equipment to a person who is not licensed, or authorised to possess, such gaming machines or gaming equipment, or deliver to a destination where possession of such gaming machines or equipment is unlawful.
- (2) Except as otherwise provided in the Regulations, a manufacturer, supplier or licensee registered by the Board must not distribute a gaming machine or equipment, within the province, or from a location within the province, to outside of the province, unless the gaming machine or equipment:
  - (a) Has the machine's unique serial number permanently stamped or engraved, in lettering on the metal frame, or other permanent component of the machine, as well as on a removable plate attached to the cabinet of the machine, which will allow easy review by a Board official without the opening of any part of the machine;
  - (b) In respect of gaming machines and equipment distributed within the province, have the Board registration number and, if a machine has been modified since initial approval of the machine or equipment, has the modification approval number affixed on all programme storage media placed in the machine or equipment; and
  - (c) Has obtained other Gaming/Gambling Boards' approvals and transportation details prior to date of transportation.
- (3) The provisions governing the approval distribution into and out of the province, and alterations, or modifications, of gaming machines or equipment, must apply *mutatis mutandis* to promotional machines or equipment.
- (4) A manufacturer, supplier or licensee must notify the Board of its intention to distribute gaming machines, or equipment, prior to the distribution thereof.



### **2.26.7 Distribution Records of Gaming Machines and Gaming Equipment**

A manufacturer, supplier or licensee must maintain distribution records of gaming machines and equipment, in accordance with the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.

### **2.26.8 Sale, Transfer or Destruction of Gaming Machines and Gaming Equipment**

- (1) A licensee, manufacturer or supplier registered by the Board wishing to sell, transfer or destruct gaming machines or equipment, must apply to the Board for prior approval of such sale, transfer or destruction, in the manner prescribed in the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.
- (2) Any sale, transfer or destruction of gaming machines, or equipment, may only be undertaken by persons who are registered by the Board, on receipt of the written approval of the Board.
- (3) All gaming machines, or equipment, approved for destruction must be destroyed in the manner specified by the Board.
- (4) Irrespective of the nature of the application, the Board may order destruction of the machine or equipment, in the manner to be determined by the Board.

### **2.26.9 Maintenance of Gaming Machines**

Licensees must maintain gaming machines available to the public for play in a suitable condition, and no person must make changes or repairs to parts of the gaming machine that affect the game outcome, unless specifically authorised to do so by the Board.

### **2.27 Amusement Machines**

Any person who wishes to apply to the Board for the registration of an amusement machine; for authority to keep and make amusement machines available; and for the amendment of registration, or transfer of authority, to keep and make amusement machines available, must do so in the manner prescribed in the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.

## PART 2 CASINO RULES

### CHAPTER 3 DEFINITIONS AND APPLICATION OF RULES

#### 3.1 Definitions

For the purposes of Part 2, unless the context indicates otherwise:-

**"An announced bet"** is a wager made without chips, plaques or cash and includes marker bets, which are supplemented bets made during a hand of play;

**"Business day"** means any day, excluding Saturday and Sunday and a public holiday;

**"Call bet"** means a bet called to the Dealer, accompanied by an amount in chips or cash sufficient to cover the value of the bet.

**"Cards"** means playing cards used in a table game to determine the outcome of that game.

**"Cash desk"** also known as **"cage"** means a physical structure to house the cashiers and to serve as:

- (a) custody of the cage inventory, comprising of currency, including patrons' deposits, coins, patron credit instruments, gaming chips and plaques, forms, documents and records normally associated with the operation of a cage/cash desk;
- (b) approval, exchange, redemption, and consolidation of patron cheques/slot shorts received for the purposes of gaming;
- (c) issue, receipt, distribution, and redemption of gaming chips, tokens, integrated circuit card/smart card, plaques and other face value instruments;

**"Cash equivalents"** means:

- (a) guaranteed cheques, personal cheques, cashier's cheques, recognised travellers cheques or recognised money orders, any of which are made payable to the licence holder or to the bearer thereof; and
- (b) recognised credit and/or bank cards.

**"Cash transaction"** means the physical transaction of money.

**"Conversion"** means a change in a gaming machine from one pre-approved configuration to another pre-approved configuration, or from one approved mode of play to another approved mode of play;

**"Count supervisor"** means an employee required to be physically present in the count room during the count process for the purpose of performing a supervisory function, as described in the licensee's approved jobs' compendium.

**"Face value instrument"** means:

- (a) a cheque, promissory note, bill of exchange, security, or any document or thing representing money; and
- (b) items, including, but not limited to, tokens, plaques and chips issued –
  - (i) to a patron by a licensee for use in gambling, on the face of which their monetary value is reflected;
  - (ii) against payment by such patron to the licensee of the face value thereof.

**"Game outcome"** means the final result of a wager;

**"Gaming day"** means an accounting period, not exceeding twenty-four (24) hours, representing one operating day in the operation of a casino, which begins and terminates at such times as specified in a licence holder's ICS;

**"Hand pay"** means physical payout of cash;

**"Handle"** means the total rand value played through a gaming machine;

**"Integrated circuit card"** also known as a "smart card", means a device which may be similar in shape and dimensions to a credit card, which is used to electronically store monetary value, for use by a customer of a gambling operator to enter into gambling transactions with such gambling operator, by activating automated gambling devices;

**"Jackpot"** means any money, merchandise or thing of value to be paid to a patron as a result of -

- (a) A specific winning combination of characters indicated on a gaming machine; or
- (b) The winning of a table game progressive jackpot;

**"LOC"** means Letter of Certification issued by the relevant authority;

**"Managing Director"** means the person who is charged, by a casino licensee, with responsibility for the daily conduct of the licensee's business, irrespective of the title which such person may hold;

**"Non-banking casino game"** means a gambling game in which the licence holder is not party to the wager, other than to facilitate the game and from which the licence holder receives compensation in the form of a rake-off, a time buy-in, or any other fee or payment, and includes the following gambling games: poker, bridge, whist, solo, and panguinui;

**"On-site cash bureau facility"** means an external financial facility which a licensee may utilise for on-site banking services;

**"Shift"** means a work period of a group of employees, including those employees conducting and supervising the operation of the mandatory functions prescribed by the Rules, working in relay with another group of employees within specific time frames, as determined by a licence holder;

**"Slot short"** means a document used to record short pay, special pay, jackpot, progressive jackpot, credit win and supplementary prize payouts to patrons and includes hopper fills;

**"Table game"** means any gambling game played in a casino other than on a slot machine, including, without limitation, blackjack, roulette, poker, punto banco, dice, non-banking casino games and wheel of fortune;

**"Theoretical return to player percentage"**, also known as **"theoretical hold"**, means the theoretical ratio, expressed as a percentage, of all amounts won, to all amounts staked, in respect of a particular gambling game or device over a stipulated period of time; and

**"Value transaction"** means any instrument of monetary value which can be exchanged for cash.

### **3.2 Application of Rules**

These Rules must be applicable to all applicants, casino licensees, manufacturers, suppliers and maintenance providers within the casino industry.

## **CHAPTER 4 CASINO OPERATIONS**

### **4.1 Application for Licence**

A person who wishes to obtain a Casino licence must apply to the Board in the manner prescribed in the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.

### **4.2 Organisational Structure / Jobs' Compendium**

- (1) Unless otherwise approved by the Board, every casino licensee's organisational structure and internal control systems must include certain mandatory functions that are responsible for the following:
- (a) Surveillance
  - (b) Compliance
  - (c) Security
  - (d) Gaming (Tables and Gaming Machines)
  - (e) Electronic Data Processing/Information Technology
  - (f) Cash Desk/Cashier's Cage
  - (g) Internal Audit
  - (h) Accounts
- (2) Every licensee must develop and maintain a jobs' compendium, in accordance with the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.

### **4.3 Regulatory Inspectorate**

The casino licensee must provide permanent facilities for the accommodation of at least two Inspectors of the Board.

### **4.4 Electronic Data Processing / Information Technology**

#### **4.4.1 Access Control**

- (1) The electronic data processing / IT area must be separate from the gaming areas.
- (2) The licensee must ensure that all main computers, including computer hardware, software, source documents and live data files, excluding test data, for each function, are secured and accessible to authorised persons only.
- (3) The licensee must ensure that computer systems, including application software, are secured through the use of passwords or other approved means, and management personnel, or persons independent of the function being controlled, must assign and control access to system functions.

- (4) The licensee must develop internal control systems and procedures pertaining to the restriction and control of access to computers, hardware, software and data, in accordance with the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.

#### **4.4.2 Modems**

- (1) The licensee must maintain an access log whenever remote dial-up to any associated equipment is required.
- (2) The licensee must develop internal control systems and procedures for the control of such access records, in accordance with the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.

#### **4.4.3 Electronic Storage Media**

- (1) The licensee must scan, or directly store, all documents to electronic storage media.
- (2) The licensee must develop internal control systems and procedures pertaining to all electronic storage media, in accordance with the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.

#### **4.4.4 Personnel Access to Computerised Gaming Machine Systems**

- (1) The licensee must maintain a personnel access list in respect of all computerised gaming machine systems, in accordance with the Board's minimum standards, as contained in Schedule 1 to these Rules.
- (2) The licensee must maintain an audit trail of all changes made to any individual's access to the system, in accordance with the Board's minimum standards, as contained in Schedule 1 to these Rules.

#### **4.4.5 Duplication of Programme Storage Media**

- (1) A registered manufacturer, a designated employee, or the SABS, are the only persons who may duplicate the contents of gaming machine programme storage media.
- (2) Every licensee must develop internal control systems and procedures for performing duplication of programme storage for inclusion in its ICS for approval by the Board.

#### **4.4.6 Table Games Computer-Generated Documentation**

- (1) Computer systems used to record table games' transactions must be capable of generating adequate documentation of all information recorded on the source documents and transaction detail, including fill, or credit slips and markers.
- (2) Access to, and perusal of, the computer-generated documentation contemplated in

sub-rule (1) must be restricted to authorised personnel who have no incompatible functions.

- (3) A licensee must include specific information in the computer-generated documentation contemplated in sub-rule (1), in accordance with the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.

#### **4.5 Key Control Standards**

A licensee must develop internal key control systems and procedures for all controlled keys used on the licensed premises, which must include controls relating to the usage of keys; as well as controls for damaged, stolen, duplicated and unused keys, and the disposal thereof, in accordance with the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.

## CHAPTER 5 TABLES

### 5.1 Table Games

- (1) A licensee must apply to the Board for approval of all types of casino games, table games' equipment and the respective rules pertaining to all such casino table games, which include, but are not limited to, the following:
  - (a) American roulette
  - (b) Blackjack
  - (c) Poker
  - (d) Dice
  - (e) Punto banco
- (2) Any amendments to existing approved casino table games, table game equipment, or table games rules, must be approved by the Board prior to the implementation thereof.
- (3) A licensee must apply and submit details of such casino table games, equipment and rules, or any amendments thereto, to the Board for evaluation and approval in the manner prescribed in the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.

### 5.2 Table Operations

A licensee must develop internal control systems and procedures relating to the day-to-day operation of the casino tables, including table opening and closing times; table limits; and order of payouts.

### 5.3 Accounting and Auditing of Table Games

- (1) Table games accounting and auditing procedures must be performed by authorised personnel who are independent of the transactions being audited or accounted for, and who have no incompatible functions.
- (2) Any improper transactions or unusual occurrences discovered during the review of exception reports must be investigated, and the results of such investigation must be documented and retained for Board inspection for a period of at least five (5) years.
- (3) All follow-up performed on any noted exceptions, must be documented and retained for Board inspection for a period of at least five (5) years.
- (4) Follow-up must be performed for any table game having an unresolved variance in excess of ten (10) percent, or one thousand (1000) rand, whichever is the lesser, between the actual drop and the soft count.
- (5) A licensee must develop internal control systems and procedures pertaining to the accounting and auditing of table games, in accordance with the Board's Minimum



Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.

#### **5.4 Call and Announced Bets**

- (1) A licensee may only permit call bets and no announced bets are permitted.
- (2) A licensee must develop procedures pertaining to Call Bets for inclusion in its ICS for approval by the Board.

#### **5.5 Emergency Clearances of Tables**

- (1) In certain instances an emergency clearance of notes or chips may be required from gaming tables.
- (2) A licensee must include in its ICS, internal control systems and procedures in respect of emergency clearances of gaming tables, for approval by the Board.

#### **5.6 Fills and Credits**

A licensee must develop internal control systems and procedures to properly account for table fills and credits, in accordance with the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules, which must include the distribution, usage and control of fill and credit slips.

#### **5.7 Count Room**

- (1) Every licensee must have a secure count room where all counts are performed.
- (2) A licensee must ensure that the count room meets the requirements as contained in the Board's Minimum Internal Control Standards and Procedures, Schedule 1 to these Rules.

#### **5.8 Soft Count**

A licensee must develop internal control systems and procedures in respect of the soft count procedure, detailing authorised personnel for such procedures in accordance with the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.

## **CHAPTER 6 CASINO GAMING MACHINES AND GAMING EQUIPMENT**

### **6.1 Activation of Gaming Machines**

All gaming machines in a casino must be activated by South African coinage, approved gaming machine tokens, or such other method as may be approved by the Board; provided that South African currency will be used on gaming machines that are fitted with bill validators, as approved by the Board.

### **6.2 EPROM or Gaming Software Control**

The licensee must develop internal control systems and procedures, in accordance with the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules, in respect of the following:

- (a) Receipt and verification of EPROMs or gaming software from manufacturer;
- (b) Maintenance of EPROMs or gaming software register;
- (c) Electronic storage and copying of EPROMs or gaming software;
- (d) Sealing of EPROMs or gaming software into the machines; and
- (e) Controls pertaining to competition and promotional EPROMs or gaming software.

### **6.3 Machine Payouts**

#### **6.3.1 Theoretical and Actual Hold**

- (1) A licensee must develop internal control systems and procedures in accordance with the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules, in respect of the following:
  - (a) Determining theoretical and actual hold percentages;
  - (b) Maintenance and storage of accurate and current records of the theoretical and actual hold for each gaming machine;
  - (c) Investigation and resolution of discrepancies; and
  - (d) Changes to gaming machines' theoretical hold percentages.
- (2) A licensee must display the applicable theoretical return to player on every gaming machine exposed for play, or such device or system, approved by the Board.
- (3) A licensee must maintain and store accurate and current records for a period of five (5) years of the theoretical and actual hold for each gaming machine.

- (4) The theoretical hold percentages used in the gaming machine analysis reports must be within the performance rules set by the manufacturer, and any discrepancies or exceptions must be investigated by the licensee and resolved immediately, and reported to the Board.
- (5) Appropriate documentation must be prepared for the investigation and resolution of discrepancies and such documentation must be retained for Board inspection for a period of five (5) years.
- (6) The meter readings for every gaming machine must be recorded and stored for the Board's inspection for a period of five (5) years.
- (7) Records must be maintained for each machine, reflecting the date and type of change made, and the recalculation of theoretical hold as a result of such change.
- (8) Actual hold must equal the rand amount of the win, divided by the rand amount of the coin/bill-in.
- (9) Where a gaming machine's theoretical hold percentage is changed, such machine must be treated as a different machine for the purposes of preparing statistical reports.

#### **6.3.2 Changes to Payout Percentages of Gaming Machines and Gaming Equipment**

- (1) A licensee must develop internal systems and controls in respect of changes to payout percentages of gaming machines and equipment, in accordance with the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.
- (2) For purposes of this Rule, the addition of an attendant-paid bonus, a progressive jackpot, or a change in rate of progression of an existing progressive jackpot, is not considered to be a change in the theoretical payback of the gaming machine.
- (3) In the event that there is a conflict between the said Rule and the requirements of the SANS, the requirements of the SANS must prevail.
- (4) A licensee must apply to the Board for any changes to payout percentages of gaming machines in the manner prescribed in the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.

#### **6.3.3 Supplementary/Promotional Payouts and Awards**

- (1) Supplementary payouts or awards that are not reflected in the gaming machine pay table are regarded as promotional payouts and awards, and must be approved by the Board prior to implementation.
- (2) The licensee must apply to the Board for approval of such payouts and awards in the manner prescribed in the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to the Rules.

- (3) All supplementary payouts/promotional payouts exceeding one million (1,000,000) rand must immediately be reported to the Board for verification purposes.
- (4) A licensee must develop internal systems and controls in respect of supplementary payouts and verification procedures, in accordance with the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.

#### **6.4 Hand Payouts, Gaming Machine Hopper Fills, Short Pays and Accumulated Credit Payouts**

- (1) A licensee must develop internal controls and procedures in respect of hand payouts, gaming machine hopper fills, short pays and accumulated credit payouts, in accordance with the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules, which must include the following:
  - (a) Management of hand payouts, gaming machine hopper fills, short pays, accumulated credit payouts and verification procedures;
  - (b) Controls in respect of signature verifications;
  - (c) Password and physical controls in respect of all payouts, including controls for verification by supervisors of all corrections made to jackpot payouts' information and gaming machine hopper fills (where licensees still use coins or tokens);
  - (d) Maintenance of payout forms or documentation for all hand payouts, and gaming machine hopper fills; and
  - (e) Maintenance of payout forms for all machine short pays and payouts required for accumulated credits.
- (2) In respect of computer-generated forms, a hard copy of the document must be kept for a period of at least five (5) years.
- (3) Access to computerised jackpot or fill systems must be restricted so as to prevent unauthorised access to the system and fraudulent payouts by a single individual.
- (4) All corrections made to jackpot payout and gaming machine hopper fill documentation must require authorisation by supervisors.
- (5) Computer systems used to record gaming machine transactions must be capable of generating adequate documentation for all information recorded on the source documents and transaction detail, including jackpot payout slips and gaming machine hopper fill slips.
- (6) Access to the computer-generated documentation contemplated in sub-rule (5), must be restricted to authorised personnel who have no incompatible functions.
- (7) Jackpot payouts must be controlled and routed in a manner that precludes any one individual from producing a fraudulent payout by forging signatures, or by altering

the amount paid out, subsequent to the payout, and thereby misappropriating the funds.

- (8) Personnel participating in gaming machine payout transactions must be prevented from accessing such stored information without supervision.

#### **6.5 Coin and Token Clearance**

A licensee must develop internal control systems and procedures in respect of coin and token clearance, in accordance with the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.

#### **6.6 Currency Acceptor Clearance and Counts**

A licensee must perform currency acceptor clearance and counts and develop internal control systems and procedures, in accordance with the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules, which must include the following:

- (a) Currency acceptor clearance and counts procedures;
- (b) Investigation and reporting procedures in respect of variances between the notes counted and the machine meter reading; and
- (c) Removal of currency acceptor canister procedures.

#### **6.7 Gaming Machine Hopper Contents**

A licensee must develop internal control systems and procedures for securing and clearing of gaming machine drop and hopper contents, including signature verification controls, in accordance with the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.

#### **6.8 Emergency Clearances of Notes or Coins for Gaming Machines**

- (1) In certain instances an emergency clearance of notes or coins may be required from gaming machines.
- (2) A licensee must develop internal control systems and procedures in respect of emergency clearances of notes or coins for gaming machines, in accordance with the Board's Minimum Standards for Internal Control Systems and Procedures, as contained in Schedule 1 to these Rules.

#### **6.9 Weigh Scale**

A licensee must develop internal control systems and procedures in accordance with the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to

these Rules, in respect of the following:

- (a) Security and storage of the weigh scale calibration module;
- (b) Access control for repair or re-calibration of the calibration module detailing responsible personnel;
- (c) Maintenance of a log to record each time the calibration module is accessed, which must be retained for Board inspection;
- (d) Access controls to the weigh scale interface; and
- (e) Testing, verification and recording of the weigh scale and weigh scale interface.

#### **6.10 Gaming Machine Hard Count and Wrapping of Coins**

- (1) For the purposes of this Rule "wrap" or "wrapping" must include terms such as "bag", "bagging", "rack" or "racking".
- (2) Where applicable, a licensee must develop internal control systems and procedures in accordance with the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules, in respect of the following:
  - (a) The weigh and hard count, detailing the various functions performed during the gaming machine drop/count;
  - (b) The recording of the amounts of the gaming machine drop proceeds from each machine;
  - (c) The attesting to the accuracy of the weigh or count;
  - (d) The wrapping of coins and tokens and the reconciliation of same;
  - (e) Investigation and reporting of variances between the total coins counted per machine and the meter readings thereof; and
  - (f) Recording of transfers of values out of the count room during the gaming count and wrap process.
- (3) The gaming machine count team must be independent of the gaming machine personnel and the subsequent accounting of the gaming machine count proceeds.
- (4) A licensee must investigate and report variances between the total coins counted per machine and the meter readings thereof.

#### **6.11 Wide Area Progressive System Gaming Machines or Inter-Casino Linked Progressives**

- (1) A licensee must apply to the Board for approval of any inter-casino linked progressive jackpots prior to the commencement of the operation thereof, in accordance with

the application procedure in the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.

- (2) A licensee must develop internal control systems and procedures in respect of wide area progressive system gaming machines, or inter-casino linked progressives, in accordance with the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.

#### **6.12 Accounting and Auditing of Gaming Machines**

- (1) Gaming machine accounting or auditing procedures must be performed by employees who are independent of the transactions being reviewed.
- (2) Where a computerised gaming machine accounting and monitoring system is used, procedures must be performed on a random basis to verify that the system is transmitting and receiving data from the gaming machines correctly, and to verify the continuous accuracy of the meter readings as recorded in the gaming machine statistical report.
- (3) Follow-up must be performed for any machine having an unresolved variance in excess of five (5) percent or five hundred rand (R500), whichever is the lesser, or such percentage or amount determined by the Board, between either the actual drop and weigh scale reading, or bill-in meter reading and soft count.
- (4) A licensee must develop internal control systems and procedures pertaining to the accounting and auditing of gaming machines, in accordance with the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.

**CHAPTER 7**  
**CASINO CHIPS, PLAQUES, TOKENS, INTEGRATED CIRCUIT CARDS ("SMART CARDS"), OTHER**  
**FACE VALUE INSTRUMENTS AND CASHLESS SERVERS**

**7.1 Approval of Casino Chips, Plaques, Tokens and Integrated Circuit Cards**

- (1) A licensee must apply to the Board for approval of chips, plaques, tokens and integrated circuit cards in the manner prescribed in the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.
- (2) A casino licensee must not issue or use, or allow a patron in the casino to use, any chip, plaque, token or integrated circuit card which such licensee knows is different from the sample of the chip, plaque, token or integrated circuit card approved by the Board.

**7.2 Approval of Other Face Value Instruments**

- (1) Any face value instrument used in a casino, other than an approved integrated circuit card, chip, plaque or token must be approved by the Board.
- (2) Any such other face value instrument's design, colour, size, shape and standards must be readily distinguishable from the integrated circuit cards, chips, plaques or tokens approved by the Board.
- (3) A licensee must apply to the Board for approval of such other face value instrument in the manner prescribed in the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.

**7.3 Casino Chips**

- (1) Every non-value chip utilised in a casino must be issued solely for the purpose of gaming at roulette.
- (2) No person at a roulette table must be issued or permitted to gamble with non-value chips that are identical in colour and design to value chips or non-value chips being used by another person at the same table, and whenever a patron purchases non-value chips, a chip of the same colour must be placed in a chip-tree or other device as approved by the Board, to the outer part of the roulette wheel.
- (3) Non-value chips must only be presented for redemption at the table from which they were issued, and must not be redeemed or exchanged at any other location in the casino. When so presented, the dealer at such table must exchange them for an equivalent amount of value chips, which will then be used by the patron for gaming, or be redeemed in the same manner as any other value chip.
- (4) Every casino licensee must have the discretion to permit or prohibit the use of value chips in gaming at roulette, however, it must be the responsibility of the casino licensee and his/her employees to keep accurate account of the wagers being



made with value chips so that the wager made by one player is not confused with that made by another player at the table.

- (5) A value or non-value chip approved by the Board for use in a licensed casino in KwaZulu-Natal, must not be made available, manufactured, sold, or be distributed for use in a casino in another province.

#### **7.4 Primary and Reserve Sets of Chips**

- (1) Every casino licensee must have a primary and a reserve set of value chips approved by the Board.
- (2) The reserve set of value chips shall be required for denominations of over five hundred rand (R500), and must have different colours from the primary set.
- (3) Every licensee must have a reserve non-value chip for every twenty (20) roulette tables in the casino, which chip must have a design or symbol different from those non-value chips comprising the primary set.
- (4) Whenever the primary set of chips is removed from active play, the casino licensee must immediately notify the Board thereof, and provide reasons for such occurrence.
- (5) The licensee must develop internal control systems and procedures in respect of the control of all gaming chips in accordance with the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.

#### **7.5 Issue and Exchange of Chips, Plaques and Gaming Machine Tokens**

A licensee must develop internal control systems and procedures in respect of the exchange, issue and removal of chips, plaques or tokens in accordance with the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.

#### **7.6 Promotional or Tournament Chips, Plaques or Tokens**

- (1) A licensee may, with the approval of the Board, issue a promotional or tournament chip, plaque or token.
- (2) A promotional or tournament chip, plaque or token may only be used for promotional purposes, or for tournaments.
- (3) Every promotional or tournament chip, plaque or token must be designed so that it:
  - (a) Clearly identifies the name or trade name and location of the licensee;
  - (b) Clearly reflects its face value; and
  - (c) Incorporates such anti-counterfeiting features and other security measures as the Board may require.

- (4) A licensee must apply to the Board for approval of any promotional or tournament chips, plaques or tokens in the manner prescribed in the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.

#### **7.7 Integrated Circuit Cards (Smart Cards)**

- (1) A licensee must develop internal control systems and procedures pertaining to integrated circuit cards (smart cards) in accordance with the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules, which must include the following:
- (a) Ordering, receiving and issuing of smart cards;
  - (b) Storage and control of temporary smart cards;
  - (c) Lost, found, stolen or missing smart cards; and
  - (d) Destruction of damaged or redundant smart cards.
- (2) Sequential numbers must be allocated to each temporary smart card.
- (3) Smart cards not yet issued to patrons must be stored in a locked and secure location so as to prevent unauthorised access thereto, and to reduce the possibility of tampering.

#### **7.8 Cashless Servers**

- (1) The cashless server must be secured in a separate dedicated lockable server cabinet, which remains under continuous, clear and unobstructed camera coverage.
- (2) The keys to the cashless server must be stored in accordance with the licensee's approved internal control system and must remain under continuous, clear and unobstructed camera coverage.

## CHAPTER 8 DICE

### 8.1 Approval of Dice

- (1) A licensee must apply to the Board for approval of dice in the manner prescribed in the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.
- (2) A casino licensee must not issue or use, or allow a patron in the casino to use, any dice which such licensee knows is different from the sample of the dice approved by the Board.

### 8.2 Control of Dice

- (1) A licensee must develop internal control systems and procedures pertaining to dice, in accordance with the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules, which must include the following:
  - (a) Control procedures on receipt of dice from manufacturer or distributor thereof;
  - (b) Control procedures in respect of the movement of dice;
  - (c) Control procedures to eliminate the risk of dice being tampered with;
  - (d) Procedures in respect of defective dice, or dice which have been tampered with; and
  - (e) Control procedures in respect of the disposal and destruction of dice.
- (2) No dice must be left unattended at a gaming table and all dice which have been placed in a cup for use in a game, must not remain on the table for more than twenty-four (24) hours.
- (3) A licensee must ensure that a reserve set of dice is placed in a secured storage area.
- (4) A licensee must ensure that at the end of each gaming day, or at least once each gaming day, all envelope bags or containers containing:
  - (a) Dice held in reserve at the gaming tables, are returned to the approved storage area; and
  - (b) Any dice in the dice reserve that are to be destroyed, must be destroyed in accordance with the movement and destruction procedure as contained in the licensee's internal control systems and procedures as approved by the Board.
- (5) In order to ensure that the dice comply with the artwork submitted by a licensed supplier and approved by a Committee of the Board, dice must be inspected on receipt from manufacturer or supplier.

### **8.3 Receipt of Dice from Manufacturer or Supplier**

Licensees must ensure that on receipt of dice from the manufacturer or supplier, all boxes are opened, contents inspected and details recorded, in accordance with the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.

### **8.4 Inventory Register and Movement of Dice**

- (1) A casino licensee must maintain an inventory register for all approved dice, for purposes of recording the information as contemplated in the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.
- (2) A licensee must, on a daily basis, take inventory of dice distributed to gaming tables, dice destroyed, dice in reserve, and dice returned to the designated secure storage area from gaming tables, and for details thereof to be recorded in the inventory register.
- (3) A licensee must, on at least a monthly basis, take inventory of all dice in reserve and in use, and the result thereof to be recorded in the inventory register, and any discrepancy must be reported to the Board within twenty-four (24) hours.
- (4) During non-gaming hours, all dice in the possession of the licensee must be stored in a secure storage area as specified in the licensee's approved internal control systems and procedures.
- (5) Dice must be transported in a transparent envelope bag or container that is fitted with a secure seal.
- (6) The licensee must apply to the Board for approval of the envelope bags or containers which are to be used for the transportation of dice within the casino, and the method of sealing thereof, in the manner prescribed in the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.
- (7) A licensee must ensure that movement and recording of dice is undertaken in accordance with the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.

### **8.5 Defective Dice or Dice which have been Tampered With**

- (1) A licensee must remove any dice if there is any indication of tampering or other defects which will affect the integrity or fairness of the game, and any evidence of tampering or other defect, must be reported to the Board within two (2) days of the defect or tampering having been detected.

- (2) At the end of each gaming day or at such other times as may be necessary, dice must be inspected for evidence of tampering, or other defect, and any evidence of tampering or other defect must be reported to the Board.
- (3) Any dice that are found to be defective, or which show evidence of having been tampered with, must be placed in a secure storage area for a minimum period of twelve (12) months, or such longer period as the Board may require for purposes of investigating the circumstances under which the dice became defective or were tampered with.
- (4) A licensee must ensure that defective dice, or dice which have been tampered with, are handled in accordance with the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.

#### **8.6 Disposal and Destruction of Dice**

- (1) A licensee must destroy, or otherwise dispose of, dice so as to prevent further usage thereof at the approved location and in the manner prescribed in the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.
- (2) A licensee must maintain destruction/disposal records in accordance with the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.
- (3) All destructions and disposal of dice which have been used during the gaming day, other than those retained for inspection by the Board, must be undertaken within forty-eight (48) hours.

## CHAPTER 9 PLAYING CARDS

### 9.1 Technical Requirements for Cards

- (1) A licensee must have at least six (6) visually distinguishable card back designs for every type of card game played in the casino.
- (2) Cards used for poker must be visually distinguishable from the cards used to play any other table game in a casino.

### 9.2 Approval of Playing Cards

A licensee must apply to the Board for the approval of its cards' artwork designs and specifications before being manufactured, in the manner prescribed in the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.

### 9.3 Control of Playing Cards

- (1) A licensee must develop internal control systems and procedures pertaining to playing cards, in accordance with the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules, which must include the following:
  - (a) Control procedures on receipt of cards from manufacturer or supplier thereof;
  - (b) Control procedures in respect of the movement of cards;
  - (c) Control procedures to eliminate the risk of cards being tampered with;
  - (d) Procedures in respect of defective cards, or cards which have been tampered with; and
  - (f) Control procedures in respect of the disposal and destruction of cards.
- (2) Playing cards not yet issued to the tables must be maintained in a locked and secure location so as to prevent unauthorised access thereto and to reduce the possibility of tampering.
- (3) A licensee must maintain complete and accurate records of all cards distributed to table games personnel, and those collected and disposed of.
- (4) A licensee must ensure that a monthly count of inventory on hand and a reconciliation of purchases and disposals is undertaken and such records maintained.
- (5) A licensee must ensure that at least once each gaming day, all envelope bags or containers containing:
  - (a) Cards held in reserve at the gaming tables, are returned to the approved storage area; and

- (b) Any cards in the cards reserve that are to be destroyed, must be destroyed in accordance with the movement and destruction procedure as contained in the licensee's internal control systems and procedures approved by the Board.
- (6) In order to ensure that the cards comply with the specifications and minimum standards approved by the Board, all cards must be inspected as prescribed in the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.

#### **9.4 Receipt of Cards from Manufacturer or Supplier**

Licensees must ensure that on receipt of cards from the manufacturer or supplier, all boxes are opened, contents inspected and details recorded, in accordance with the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.

#### **9.5 Inventory Register and Movement of Cards**

- (1) A licensee must maintain an inventory register for all approved cards, for purposes of recording the information as contemplated in the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.
- (2) A licensee must, on a daily basis, take inventory of cards distributed to gaming tables, cards destroyed, cards in reserve, and cards returned to the designated secure storage area from gaming tables, and for details thereof, to be recorded in the inventory register.
- (3) A licensee must, at least on a monthly basis, take inventory of all cards in reserve and in use, and the result thereof be recorded in the inventory register, and any discrepancy must be reported to the Board.
- (4) During non-gaming hours, all cards in the possession of the licensee must be stored in a secure storage area as specified in the licensee's approved internal control systems and procedures.
- (5) Cards must be transported in a transparent envelope bag or container that is fitted with a secure seal.
- (6) The licensee must apply to the Board for approval of the envelope bags or containers which are to be used for the transportation of cards within the casino and the method of sealing thereof.
- (7) A licensee must ensure that movement and recording of cards is undertaken in accordance with the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.

**9.6 Defective Cards or Cards which have been Tampered With**

- (1) A licensee must remove any cards if there is any indication of tampering or other defects which will affect the integrity or fairness of the game, and any evidence of tampering or other defect, must be reported to the Board within two (2) days of the defect or tampering having been detected.
- (2) At the end of each gaming day or at such other times as may be necessary, each card must be inspected for evidence of tampering, or other defect, and any evidence of tampering or other defect, must be reported to the Board within twenty-four (24) hours.
- (3) Any cards that are found to be defective, or which show evidence of having been tampered with, must be placed in a secure storage area for a minimum period of twelve (12) months, or such longer period as the Board may require, for purposes of investigating the circumstances under which the cards became defective or were tampered with.
- (4) A licensee must ensure that defective cards or tampered cards are handled in accordance with the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.

**9.7 Disposal and Destruction of Cards**

- (1) A licensee must destroy cards so as to prevent further usage thereof at the approved location and in the manner prescribed in the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.
- (2) A licensee must maintain destruction/disposal records in accordance with the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.
- (3) All destructions and disposal of cards which have been used during the gaming day, other than those retained for inspection by the Board, must be undertaken within forty-eight (48) hours, unless otherwise approved by the Board.



## CHAPTER 10 ROULETTE WHEELS AND BALLS

### 10.1 Roulette Wheels

- (1) A licensee must develop internal control systems and procedures pertaining to roulette wheels, in accordance with the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules, which must include maintenance, safeguarding and storage of roulette wheels.
- (2) On application for registration of roulette wheels, which may be regarded as maintenance free gaming equipment, documentary proof of such must be submitted to the Board.
- (3) A licensee must ensure that during non-operating hours, or while roulette tables are closed, roulette wheels are secured in the manner prescribed in the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules, in order to prevent tampering.

### 10.2 Roulette Balls

All rules pertaining to the control, storage, movement, exchange or removal of playing cards will apply *mutatis mutandis* to roulette balls.

## **CHAPTER 11 SURVEILLANCE SYSTEMS**

### **11.1 Surveillance Systems**

- (1) A licensee must have a surveillance system which meets the requirements as set out in the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.
- (2) A licensee must ensure that the Board's office located on the licensed premises is equipped with a remote surveillance monitoring system.
- (3) The licensee must have surveillance of monitored alarmed areas, entrances, exits, cash transaction areas, all gaming areas and any other area that the Board deems appropriate.
- (4) A licensee must apply for approval of its surveillance system plan, and any change, alteration or modification to a surveillance system plan, including a temporary change, alteration or modification in the manner prescribed in the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.
- (5) The surveillance system plan must include the requirements as set out in the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.

### **11.2 Surveillance Systems, Interfaces and Alarms**

- (1) A panic alarm, interfaced into the surveillance system, must be fitted in:
  - (a) The cashier's transaction areas in the cash desk/cashier's cage;
  - (b) The administration office of the hard/soft count rooms, if they are separate;
  - (c) The soft/hard count room;
  - (d) All cash secure storage areas; and
  - (e) Gaming tables area.
- (2) The note counters in the soft count room and coin counters in the hard count room must have interface capabilities with the surveillance system.
- (3) All counting equipment in the cashiers' booths/cashiers' desks must have interface capabilities with the surveillance system.
- (4) A casino surveillance system must be interfaced with the casino monitoring system to monitor gaming machines, coin counters and weigh scales, ensuring the reporting on the system of all error codes, conditions and information is in accordance the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.

### **11.3 Surveillance Systems for Gaming Machine Area**

A licensee must ensure that all cameras recording the gaming machine area in a casino are positioned in accordance with the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 2 of these Rules.

### **11.4 Surveillance and Security Offices**

- (1) The interior of the surveillance room, security offices, including working areas, employees and their movements, must be recorded.
- (2) The surveillance room must have audio-monitoring capability.

### **11.5 Storage of Recordings**

A casino licensee must ensure that all recordings are stored and kept in a secure area and that such procedures are included in its ICS for approval by the Board.

## **CHAPTER 12 MONITORING AND CONTROL SYSTEMS**

### **12.1 On-Line Central Monitoring and Control System**

A licensee must have a computerised on-line Central Monitoring and Control System which meets the requirements in terms of the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.

### **12.2 Approval of Monitoring Control System (MCS) Hardware and Software**

- (1) A licensee must apply to the Board for the approval of hardware and software configuration of the monitoring control system, including any change to the monitoring system software, in the manner prescribed in the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.
- (2) The certification and approval process must evaluate the total configuration for reliability, recovery, audibility, redundancy and security.

### **12.3 Meter Wrap Handling and Meter Width**

A licensee must ensure that operational procedures in respect of meter wrap handling and meter width are developed in accordance with the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.

### **12.4 Password Protection**

- (1) The operating system or systems used, as well as the monitoring control system, must provide comprehensive password security.
- (2) A licensee must develop control procedures in respect of security of the monitoring control system in accordance with the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.

### **12.5 Access to Monitoring Control System by the Board**

- (1) The Board must be able to access the monitoring control system at any time, using either the electronic link to the Board or from a facility in the Board's office at the licensed premises.
- (2) The monitoring control system must provide comprehensive search mechanisms for the purpose of examination of events and statistical data as well as access to execute external audit and interrogation programmes as contemplated in the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.

**12.6 Link to Board's Computing Facilities**

The operator of the monitoring control system must provide and maintain such electronic access or link to its central computing facilities, as the Board may require from time to time, in accordance with the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.

**12.7 Facilities for Inspectors**

A licensee must ensure that facilities within the monitoring control system are provided for Board Inspectors, in accordance with the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.

## PART 3 LIMITED PAYOUT MACHINES

### CHAPTER 13 DEFINITIONS AND APPLICATION OF RULES

#### 13.1 Definitions

For the purposes of Part 3, unless the context indicates otherwise:-

**“Bet”** means the amount of credits risked or staked by a player at the commencement or during a gambling game;

**“Cash or cash equivalent”** means a physical coin, note, token, ticket, other thing of value, magnetic or smart card, cheque, EFT, or any other representation of money used directly or indirectly, in the gambling environment;

**“CEMS”** means the central electronic monitoring system contemplated in section 27(1)(l) of the National Gambling Act;

**“Credits”** means the number of betting units standing to the credit of a player displayed on the credit meter of an LPM;

**“Data collection”** means the successful transfer of LPM soft meter and significant event information from an SDL to the CEMS database;

**“Designated area”** means the area within an LPM site where LPMs are authorised to be exposed for play;

**“Dispute”** means any unresolved disagreement between a patron and the holder of an LPM operator licence pertaining to a gambling-related procedure, the outcome of a gambling game, or the payment of winnings alleged to be due;

**“Double-up”** means a gambling option where a player may, during a game, risk a previous win, bet or a portion thereof, on the selection of a further outcome;

**“Employee card”** means a card issued to a registered employee for use at a single site, which-

- (a) Reflects the identifying details of the employee in whose name it has been issued and the name of the site on which it may be used;
- (b) Upon insertion thereof into the SKP, activates the LPM's on the site and upon removal thereof from the SKP, deactivates the LPM's on the site;
- (c) Via the SDL, is interfaced with the CEMS, which upon insertion and removal of the employee card into the SKP, records the identity of the relevant employee; and
- (d) May be used only by the registered employee on the licensed site;

**“Fair play”** means the conduct of a gambling game in compliance with all procedures and rules approved for such gambling game;

**“Gambling-related”** means having, in the view of the Board a direct or indirect influence on gambling tax or fair play;

**“Handle”** means the total rand value of all credits bet on an LPM within a specified period;

**“Independent site operator”** means a site operator who is not linked to a route operator and is licensed to own and operate limited payout machines on a single site and is responsible for supplying and maintaining the machines effecting the collection of money and paying the applicable taxes and levies;

**“Journal entry”** means any alteration made to gambling-related computerised records;

**“LPM”** means a limited payout machine in respect of which the stakes and prizes are limited as prescribed by the National Gambling Act and the Act;

**“LPM drop”** means the cash or cash equivalent cleared from an LPM for count purposes;

**“LPM site”** means a licensed site on which LPMs may be exposed for play in terms of Section 55 (1) of the Act;

**“LOC”** means a letter of certification issued by the relevant accredited testing agency, certifying that a device or piece of equipment complies with the national norms and standards applicable thereto;

**“Logic area”** means a secure cabinet within an LPM that houses the master processing unit and electronic components having the potential to influence the outcome of the game, or the communication between the LPM and the CEMS;

**“Multi-game software”** means gaming software that offers more than one LPM game on a single LPM;

**“National Gambling Regulations”** means the Regulations in respect of Limited Payout Machines promulgated in terms of the National Gambling Act;

**“Operating hours”** means all hours during which LPMs are exposed for play;

**“Public area”** means any area to which the public has unrestricted access;

**“RAM”** means random access memory;

**“RTP %”** means return to player percentage in respect of LPMs, which is calculated by dividing the total win by the total handle;

**“Route operator”** means the person who is licensed in terms of the Act to provide limited payout machines to site operators and to conduct any other prescribed activities;

**“SDL”** means a site data logger;

**“Significant events”** means a set of operational conditions recorded by the CEMS for LPMs during a game, during idle mode, or during data interchange with another gaming device;

**“Site data logger”** means a device or other intermediate data collector for the CEMS situated on an LPM site that collects, stores and transmits data;

**“Site operator”** means a person who is authorised to keep limited payout machines on his/her premises in terms of a licence in accordance with the Act;

**“Site gaming employee”** means a natural person who works in the gaming area of a LPM site and who is required to be registered as such by the Board;

**“Site key employee”** means a natural person responsible for the management of the primary business of the LPM site and registered as a key employee by the Board;

**“SKP”** means a smart keypad;

**“Smart card”** means an integrated electronic circuit card issued to a patron for use on an LPM site as an instrument by means of which –

- (a) funds are deposited by such a patron to the credit of such card;
- (b) funds standing to the credit of such card are withdrawn or redeemed by such patron; or
- (c) gambling transactions are conducted by such patron against funds standing to the credit of such card.

**“Smart keypad”** means an input device located on an LPM site used to convey instructions to the SDL;

**“Token”** means a token redeemable for a specified cash amount and issued or sold by a licence holder to patrons for use when gambling; and

**“Win”** means the total rand value of coins, tokens and credits won on a LPM.

### **13.2 Application of Rules**

These Rules must be applicable to all applicants, route operators, site operator licensees, manufacturers, suppliers and maintenance providers within the LPMs industry.



## CHAPTER 14

### LPM OPERATIONS

#### 14.1 Application for Licence

A person who wishes to obtain a site operator licence, an independent site operator or route operator licence for limited payout machines, must apply to the Board in the manner prescribed in the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.

#### 14.2 Internal Control Standards

In addition to the minimum requirements set out in the General Rules above, a route operator or independent site operator's ICS must contain detailed provisions and procedures, in accordance with those prescribed in the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.

#### 14.3 Advertising for Type "B" Sites

- (1) No Type "B" site operator may advertise the presence of limited payout machines on any external signage at the site premises at a LPM site without the prior approval of the Board, and all advertising must be in accordance with the provisions of the National Gambling Act, 2004, pertaining to restrictions on advertising and the Regulations.
- (2) A Type "B" site operator must apply to the Board in the manner prescribed in the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.

#### 14.4 Organisational Structure / Jobs' compendium

- (1) Unless otherwise approved by the Board, every licensee's organisational structure and internal control systems must include certain mandatory functions that are responsible for the following:
  - (a) Technical;
  - (b) Administration; and
  - (c) Compliance
- (2) Every licensee must develop a jobs' compendium in accordance with the Regulations and the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.
- (3) A route operator or independent site operator may not outsource any of the functions assigned to its employees through its ICS or the Act, without the prior written approval of the Board.

- (4) No person may simultaneously perform incompatible gambling-related functions allocated to more than one position, without the prior written approval of the Board.
- (5) This rule does not preclude the holder of a route operator or independent site operator licence from utilising additional categories of employees, or the Board from ordering such operators to utilise additional categories of employees, where it deems this necessary for the proper conduct and effective supervision and control of any gambling-related activity.
- (6) Registered employees must be appointed on each LPM site.

#### **14.5 Designated Area**

- (1) The designated area of a LPM site must be constructed in such a manner as to ensure controlled access.
- (2) The designated area of a LPM site must not be less than two-and-a-half (2.5) square metres per LPM, unless otherwise approved by the Board.

#### **14.6 Floor Plan, Installation and Access - Type "A" and Type "B" LPM Sites**

- (1) Prior to any gambling activity being conducted on such site, the licensee must apply to the Board for approval of the floor plan of the LPM site in the manner prescribed in the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.
- (2) The approved floor plan in respect of a LPM site may not be altered without the prior written approval of the Board.
- (3) In the event of changes to the location of any gaming related equipment at a LPM site, the licensee must ensure that an amended floor plan is submitted to the Board for approval, in the manner prescribed in the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.
- (4) The route operator and site operator may not exceed the maximum number of LPMs authorised by the Board for such site.
- (5) The wiring to and from the LPM, SDL and SKP, must be installed in a manner so as to prevent tampering therewith.
- (6) The LPMs must not be visible to the general public from outside the LPM site.
- (7) All LPMs must be placed and remain within the designated areas approved by the Board.
- (8) All SDLs and SKPs must be placed and remain in an area approved by the Board.

#### **14.7 Non-Operation of LPMs at a Licensed Site**

- (1) The route operator or site operator must notify the Board in writing within forty-eight (48) hours of becoming aware of the fact that the LPMs have temporarily ceased operating for a period of more than twenty-four (24) hours at a site.
- (2) If a licensed site is to cease all or part of its operations permanently in respect of the LPMs, the prescribed information as contained in the Board's Minimum Internal Control Standards and Procedures, Schedule 1 of these Rules, must be submitted to the Board.
- (3) The route operator or site operator must inform the Board in writing of the deactivation of CEMs cards for any registered employees of a site which has ceased all operations at a site within five (5) working days.
- (4) The route operator or site operator must obtain prior approval in writing from the Board to temporarily discontinue operations at any licensed site.
- (5) The route operator or site operator must ensure that any failure to trade for five (5) consecutive days is reported to the Board in writing within twenty-four (24) hours of becoming aware thereof.
- (6) The route operator or site operator must ensure that in the event that the primary business ceases to operate for whatever reason, the LPMs are deactivated and the Board is notified in writing within twenty-four (24) hours.

#### **14.8 Access to LPMs**

- (1) The route operator and Type "B" site operator must develop internal control systems and procedures in respect of access control to LPMs, in accordance with the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.
- (2) The route operator and Type "B" site operator must ensure that a machine book is maintained at the LPM site reflecting each time LPMs are accessed.

#### **14.9 Employee Cards**

- (1) Route and site operators must issue all registered employees with an employee card, which must be utilized in accordance with the Board's Minimum Internal Control Systems and Procedures, as contained in Schedule 1 to these Rules.
- (2) Route operators and Type "B" site operators must develop internal control systems and procedures in respect of the issuing, usage and control of employee cards, in accordance with the Board's Minimum Internal Control Systems and Procedures, as contained in Schedule 1 to these Rules.

**14.10 User Access Rights**

- (1) All application forms for access to any gambling-related software administered by the licensed national monitoring system, including amendments thereto, must be signed by a representative of the route operator or independent site operator.
- (2) The User Access Rights Application Form must clearly indicate the user access rights for which the applicant has applied.
- (3) The route operator or site operator must request user access rights on the CEMS to be allocated to authorised registered employees only.
- (4) The user access rights matrix must indicate all types of user groups registered on the CEMS, and all the user rights allocated to such users.
- (5) The user access rights matrix must be approved and signed by the General Manager or his/her representative.
- (6) Any amendments to the pre-approved user access rights matrix must be signed by the persons prescribed in sub-rule (5).
- (7) The route operator, or Type "B" site operator, must ensure that the information prescribed in the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules, is submitted to the CEMS operator, in writing, to allocate the employee's user rights in terms of the pre-approved user access rights matrix.
- (8) User access rights on the CEMS must be allocated to appropriately registered employees, and in terms of the user access rights matrix.
- (9) The route operator or site operator must inform the CEMS operator of the termination of any employee within twenty-four (24) hours, whereupon the relevant employee's user access rights must be disabled on the CEMS.

**14.11 Route and Independent Site LPM Records**

- (1) The designated function of the route operator or independent site operator, as prescribed in its approved ICS, must record and maintain electronic, accurate and current records in the route operator or independent site operator's inventory, in respect of each LPM and each SDL, in accordance with the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.
- (2) LPM and SDL information records must be recorded on an electronic database.

**14.12 Investigations**

- (1) The route operator or independent site operator must ensure that, on a weekly basis, the CEMS meter readings and significant events are reviewed in order to detect exceptions and unusual events, including –

- (a) Unauthorised access to secured areas of the LPM and SDL;
  - (b) Configuration changes to LPM and SDL software;
  - (c) LPM and SDL software validation or signature failure;
  - (d) Meter violations, meter wraps and RAM clears; and
  - (e) Variances in excess of one hundred (100) rand or twenty (20) percent per gaming day between actual and metered LPM drop, in the event that the actual LPM drop counted exceeds the metered drop.
- (2) The designated function, as approved by the Board in the ICS, must be informed of any unresolved exceptions and unusual events referred to in sub-rule (1).
  - (3) The designated function, as approved by the Board in the ICS, must be informed of the outcome of the investigation in respect of variances contemplated in sub-rules (1)(d) and (e).
  - (4) All reports contemplated in this rule must be in writing and kept for a period of at least five (5) years for Board inspection.

#### **14.13 Administration and Accounting Systems**

Every route operator and Type "B" site operator must develop administrative and accounting procedures in accordance with the Regulations and the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.

##### **14.13.1 Verification of Taxes and Levies**

A route operator or independent site operator must, on a monthly basis, review the CEMS reports used for calculating taxable revenue, to verify the accuracy thereof.

##### **14.13.2 Journal Entries**

A route operator and independent site operator must maintain and perform journal entries in respect of the CEMS in accordance with the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.

##### **14.13.3 LPM Accounting**

- (1) A route operator or independent site operator must verify that the data contemplated in Rule 16.1(1) and 16.1(2), has been collected in respect of all LPMs within twenty-four (24) hours of the period allowed for the collection thereof.
- (2) In the event of unsuccessful data collection, the route operator, or independent site operator, must investigate and record the outcome of such investigation.

- (3) A monthly reconciliation must be prepared by the route operator or independent site operator in respect of the taxable revenue pertaining to all LPMs exposed for play.
- (4) The monthly tax return must be signed by the route operator or independent site operator, or his/her authorised representative, or such other person authorised in the route operator or independent site operator's ICS.

#### **14.13.4 Annual Financial Statements**

A route operator or independent site operator must submit the format of their annual financial statements to the Board for approval prior to commencement of operations.

#### **14.14 Internal Audit**

- (1) A route operator or independent site operator must appoint an independent internal auditor to perform the Internal Audit function as prescribed in the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.
- (2) Where a route operator or independent site operator utilises an external auditing company to perform the Internal Audit function, such company may not also perform the External Audit function.
- (3) A route operator or independent site operator must ensure that the persons responsible for the performance of the Internal Audit function submit and present an internal audit report to the Board within three (3) months of being finalised.
- (4) All reports must be in writing and must be kept for a period of at least five (5) years for Board inspection.

#### **14.15 Audits**

- (1) The route operator or independent site operator must ensure that bi-annual audits are risk-based and undertaken in accordance with the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.
- (2) Any discrepancies found during the audits referred to in sub-rule (1) must be investigated, and the results reported in writing and kept for a period of at least five (5) years for Board inspection.

#### **14.16 Reporting**

- (1) The route operator or independent site operator must, on a monthly basis, provide the Board with a report reflecting the information as prescribed in the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules, in respect of the period reviewed.

- (2) The monthly reports, referred to in sub-rule (1), must be submitted within ten (10) working days after the conclusion of every month.
- (3) All reports must be in writing and kept for a period of at least five (5) years and must comply with Regulations, for Board inspection.

#### **14.17 Key Control Standards**

- (1) All controlled keys must be kept within a secure area on the LPM site or in the possession of a registered employee to prevent unauthorised access thereto.
- (2) Access to the secure area referred to in sub-rule (1) must be limited to designated registered employees as contained in the route operator or Type "B" site operator's ICS.
- (3) The route operator or Type "B" site operator must maintain detailed records in respect of each monitored key that is made, duplicated or destroyed.
- (4) The route operator or Type "B" site operator must develop internal key control systems and procedures for all controlled or monitored keys used on the licensed premises, which must include controls relating to damaged, stolen, duplicated and unused keys and the disposal thereof, in accordance with the Board's Minimum Internal Control Standards and Procedures, as contained as in Schedule 1 to these Rules.

#### **14.18 Controlled Stationery**

- (1) The route operator or Type "B" site operator must be responsible for ordering, receiving, storing, issuing and accurate recording of the following controlled stationery, which must reflect the information as prescribed in the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules:
  - (a) Machine Book;
  - (b) Dispute/Complaints Register;
  - (c) Key Control Logs; or
  - (d) Register which is a combination of the above, as approved by the Board in its ICS.
- (2) All controlled stationery must be kept within a secure area on the LPM site, or in the possession of a registered employee to prevent unauthorised access thereto.
- (3) All the completed registers contemplated in sub-rule (1) must be retained for Board inspection –
  - (a) On the relevant LPM site, for a period of at least three (3) months from the date of the last entry therein; and

- (b) After such period it must be retained by the route operator or Type "B" site operator for a period of at least five (5) years from the date of the last entry therein.
  
- (4) Notwithstanding the provisions of this rule, a route operator or Type "B" site operator may utilise a computerised system and electronic signature identification, approved by the Board.



## **CHAPTER 15 LPM GAME RULES**

### **15.1 Game Features, Stakes and Prizes**

- (1) A licensee must submit details of all game features, stakes and prizes, and the LPM game rules to the Board for evaluation and approval in the manner prescribed in the Board's Minimum Internal Control Standards and Procedures, Schedule 1 to these Rules.
- (2) Any amendments to existing approved LPM game rules must be submitted to the Board in the manner prescribed above, prior to the implementation thereof.
- (3) Progressive jackpots are not permitted in respect of LPMs.
- (4) All prizes must be paid in cash or a cash equivalent.

### **15.2 Payouts**

- (1) The LPM site must immediately redeem its monetary instrument used for gambling, including credits registered on the LPM, for cash or a cash equivalent upon request of a patron, unless the monetary instrument was obtained, or is being used, unlawfully.
- (2) Route operator or Type "B" site operators must develop payout procedures, including manual payouts for inclusion in their ICS.

## CHAPTER 16 LIMITED PAYOUT MACHINES

### 16.1 LPM Requirements

- (1) Each LPM must electronically record, store and send to the CEMS the meter information specified by the applicable SANS standards.
- (2) Each LPM must electronically record, store and send to the CEMS significant event information, in accordance with the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.
- (3) A LPM must require manual reactivation and must perform a signature check in the event of –
  - (a) Unauthorised access to the LPM logic box door;
  - (b) Unauthorised access to the SDL; and
  - (c) A signature failure by the LPM and SDL.
- (4) A route operator, independent site operator, or site operator must not possess, install or make available for play, any gambling or gambling-related device which has not been approved by the Board.
- (5) All LPMs that are exposed for play must be linked to the CEMS.
- (6) A number must be assigned to each LPM at the LPM site, which must be clearly visible on the front of the LPM.
- (7) The LPM number referred to in sub-rule (6) must correspond with the number reflected on the CEMS for that specific LPM.
- (8) A plate must be permanently affixed to the cabinet of every LPM, reflecting –
  - (a) The unique serial number of the LPM; and
  - (b) The name of the manufacturer of such LPM.

### 16.2 Commissioning, Alteration and De-Commissioning of LPMs and SDLs

- (1) Whenever an LPM, or SDL, is commissioned, or altered, the designated function prescribed in the licensee's approved ICS, must perform tests to ensure that the components of such LPM, or SDL, have been set up properly in respect of –
  - (a) Software validation;
  - (b) Coin acceptance;
  - (c) Bill acceptance;
  - (d) Significant events;

- (e) Soft meter increment; and
  - (f) Such other components and tests as the Board may specify prior to any gambling activity taking place on the LPM.
- (2) A route operator or site operator must ensure that a LPM may not be exposed for play before the tests referred to in sub-rule (1) have been successfully completed and the information on the CEMS has been verified as being correct.
- (3) A route operator or Type "B" site operator must develop internal control systems and procedures in respect of the commissioning, alteration and de-commissioning of LPMs or SDLs, in accordance with the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.

### **16.3 Malfunctions**

- (1) The LPM must be powered down and may not be available for play if a malfunction has occurred which –
- (a) May have an unfair play implication; or
  - (b) May affect the integrity of the LPM or CEMS information; or
  - (c) Cannot be repaired immediately.
- (2) In the event that a communication malfunction occurs between the CEMS and the LPM which cannot be repaired immediately, the designated function as prescribed in the licensee's approved ICS must inform the Board in writing within five (5) days.
- (3) A route operator and Type "B" site operator must develop internal control systems and procedures in respect of malfunctions of the LPMs and CEMS, in accordance with the Board's Minimum Standards and Procedures, as contained in Schedule 1 to these Rules.

### **16.4 Maintenance**

- (1) The route operator and site operator must ensure that a detailed maintenance register in respect of all malfunctions and maintenance performed on LPMs and SDLs is maintained.
- (2) Preventative and routine maintenance on a LPM and SDL may be performed only by the following persons:
- (a) A LPM Technician; or
  - (b) An employee of the CEMS operator; or
  - (c) An employee of a LPM manufacturer, licensed in terms of the Act, or in terms of the National Gambling Act.

- (3) Sub-rule (2) does not preclude a registered employee of the LPM site from performing routine maintenance to ensure the proper operation of the LPMs on its site, including attending to coin-in and coin-out errors, bill disputes, hopper fills and cash collections.
- (4) A route operator and Type "B" site operator must develop internal control systems and procedures in respect of maintenance of LPMs as required in the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.

#### **16.5 RAM Clear**

- (1) Only representatives of the Technical function and CEMS operator must be allowed to perform a RAM clear on a LPM.
- (2) A licensee must develop internal control systems and procedures in respect of the performance of RAM clearing, in accordance with the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.

## **CHAPTER 17 SURVEILLANCE SYSTEMS**

### **17.1 Surveillance Systems for Type "A" LPM Sites**

- (1) Every route operator must install a surveillance system at any LPM site where the view to the LPMs is obstructed and there is no clear continuous line of sight by the registered employees for purposes of monitoring the LPMs.
- (2) The surveillance system must comply with the requirements as set out in the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.
- (3) In the event of a malfunction of the surveillance system, the LPMs must immediately be disabled for play until such time that the repair is affected.
- (4) No route operator or site operator may alter or modify the approved surveillance system contemplated in this rule without the prior approval of the Board.
- (5) A licensee must apply for approval of its surveillance system plan and any change, alteration or modification to a surveillance system plan, including a temporary change, alteration or modification, in the manner prescribed in the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.
- (6) The surveillance system plan must include the requirements as set out in the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.

### **17.2 Surveillance Systems for Independent Site Operators and Type "B" LPM Sites**

- (1) Every licensee that operates more than five (5) LPMs must install, maintain and operate a surveillance system on the premises to which the licence relates, and must conform to the requirements as contained in the Board's Minimum Internal Control Standards and Procedures, Schedule 1 to these Rules, 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 Schedule 1, for such surveillance system: provided further that the Board may require a site licensee that applies to the Board for a licence to operate up to five (5) LPMs to install, maintain and operate a surveillance system on the premises to which the licence relates, subject to the Board's approval.
- (2) Such licensee must install, operate and maintain surveillance coverage of LPM gambling activities, as approved by the Board.
- (3) The surveillance system must comply with the requirements as set out in the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.

- (4) No licensee may alter or modify the approved surveillance system contemplated in this Rule without the prior approval of the Board.
- (5) A licensee must apply for approval of its surveillance system plan and any change, alteration or modification to a surveillance system plan, including a temporary change, alteration or modification, in the manner prescribed in the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.
- (6) The surveillance system plan must include the requirements as set out in the Board's Minimum Internal Control Standards and Procedures, Schedule 1 to these Rules.
- (7) The surveillance plan in respect of camera installation will be signed off and will be subject to approval by the Board on completion of the installation of the cameras: provided that the Board approval shall be required in respect of all other components of the surveillance plan, prior to installation.
- (8) Such licensee must inform the Board of the installation of cameras for the purposes of gambling covert operations, within forty-eight (48) hours of such installation.
- (9) A person must be available to monitor camera views of all LPM gambling activities at all times during the site's operating hours as approved by the Board.
- (10) The surveillance system and its related equipment must be monitored during such licensee's operating hours by a person trained by the licensee, in accordance with the minimum standards approved by the Board for surveillance purposes.
- (11) The Board and its authorised staff members must at all times be provided with immediate access to the room or area where the surveillance system is kept.
- (12) In addition to any other image-recording requirements that are or may be imposed by this rule, the licensee must record all views, activities and locations, as the Board may require from time to time.
- (13) Every licensee must comply with the requirements set forth in this rule no later than seven (7) days prior to the start of gambling operations.
- (14) A licensee must develop procedures for storing and record keeping of image recordings, which must be submitted in writing to the Board for approval, no less than seven (7) days prior to the commencement of gambling operations or seven (7) days prior to the amendment to the existing approved method.
- (15) In the event of a malfunction of the surveillance system, gambling operations must be suspended pending the repair of the malfunction.
- (16) If a malfunction is not repaired within twenty-four (24) hours, the licensee must immediately submit a separate written report to the Board that sets forth the reason for the delay in repair.
- (17) Each malfunction, together with the corrective measure taken, must be reported to the Board within twenty-four (24) hours.

- (18) A licensee must comply with the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules, in respect of surveillance system malfunctions.

**CHAPTER 18**  
**RESPONSIBILITIES OF TYPE "A" AND TYPE "B" SITE OPERATORS**

**18.1 LPM Operations**

- (1) A registered employee on a LPM site must perform a count of all the LPM drop proceeds at least once every week, and record the value of the drop proceeds on the CEMS.
- (2) All LPMs within the LPM site must be monitored, observed and supervised by a registered employee during operating hours, in order to –
  - (a) Ensure that no person under the age of 18 years –
    - (i) Enters in any designated area with LPMs;
    - (ii) Takes part in a LPM game; or
    - (iii) Operates a LPM;
  - (b) Effectively monitor and control the designated area and areas in which the SDL and SKP are placed; and
  - (c) Ensure that all LPMs and the SDLs, and their wiring, are not –
    - (i) Tampered with or damaged;
    - (ii) Altered in any way; or
    - (iii) Accessed by unauthorised persons.

**18.2 LPM or CEMS Malfunctions**

- (1) In the event of an LPM or CEMS malfunction that cannot be repaired immediately, the registered employee on the LPM site must immediately inform the route operator in the manner prescribed in the route operator's ICS.



## PART 4 BINGO

### CHAPTER 19 DEFINITIONS AND APPLICATION OF RULES

#### 19.1 Definitions

As used in these rules, unless the context otherwise indicates –

**"Bingo equipment"** means any gaming equipment or device used in the operation of, or in connection with, the game of bingo;

**"Bingo operator"** means the holder of a bingo operator licence in terms of the Act and the holder of a casino licence in terms of the Act, who is authorised by the Board to operate the game of bingo on the licensed premises and **"operator"** and **"bingo licensee"** must have a corresponding meaning;

**"Card"** means a bingo card, or shutter card, or any card approved by the Board;

**"Central bingo hall"** means a bingo hall at which number selection takes place during a simultaneous game;

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

**"EBT"** means electronic bingo terminal as defined in the Act.

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

**"Game"** means the game of bingo;

**"Linked bingo hall"** means a bingo hall linked to the central bingo hall during a simultaneous game;

**"Patron"** means any person who is a customer or client of the licensee;

**"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; and

**"Simultaneous game"** means a game of bingo played at more than one bingo hall at the same time.

#### 19.2 Application of Rules

These Rules must be applicable to all applicants, bingo licensees, manufacturers, suppliers and maintenance providers within the bingo industry.

## CHAPTER 20 BINGO OPERATIONS

### 20.1 Application for Licence

A person who wishes to obtain a bingo licence must apply to the Board in the manner prescribed in the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.

### 20.2 Internal Control Standards

In addition to the minimum requirements set out in the General Rules above, a bingo licensee's ICS must contain detailed provisions and procedures in accordance with those prescribed in the Board's Minimum Internal Control Standards and Procedures, Schedule 1 to these Rules.

### 20.3 Organisational Structure / Jobs' compendium

- (1) Unless otherwise approved by the Board, every licensee's organisational structure and internal control systems must include certain mandatory functions that are responsible for the following:
  - (a) Operations;
  - (b) Security;
  - (c) Compliance;
  - (d) Internal Audit;
  - (e) Electronic Data Processing / Information Technology; and
  - (f) Accounts/Treasury.
- (2) Every licensee must develop a jobs' compendium in accordance with the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.

### 20.4 Floor Plan

- (1) Every applicant for a bingo licence must apply to the Board for approval of its detailed floor plan of the premises on which the game of bingo is to be conducted in the manner prescribed in the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.
- (2) The floor plan of the premises must be drawn in accordance with the requirements, as contained in the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.
- (3) The approved floor plan in respect of a bingo site may not be altered without the prior written approval of the Board.

- (4) If a licensee intends effecting any change to the approved floor plan, such licensee must apply to the Board for approval of such change(s) in the manner prescribed in sub-rule (1). The application must be accompanied by a revised floor plan, which must incorporate the proposed changes.

## **20.5 Bingo Halls**

Every licensee must ensure that the bingo hall meets the requirements as set out in the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.

## **20.6 Bingo Game Records**

### **20.6.1 Record Keeping System for Bingo Cards**

- (1) Each operator must have a computer system linked to the control desk on which must be recorded, simultaneously with the playing of each game using bingo cards, all information relevant to each game of bingo as prescribed in the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.
- (2) Each operator must apply to the Board for approval of its record keeping computer system/electronic recording device in respect of bingo cards in the manner prescribed in the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.

### **20.6.2 Record Keeping System for Electronic Cards or Other Devices**

- (1) Each operator must have a computer on which must be recorded, simultaneously with the playing of each bingo game using electronic bingo cards or other devices, all information relevant to each game of bingo, as prescribed in the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.
- (2) Each operator must apply to the Board for approval of its record-keeping computer system/electronic recording device in respect of electronic cards or other devices, in the manner prescribed in the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.

### **20.6.3 Access and Storage of Game Recordings**

- (1) The information recorded in terms of Rules 20.6.1 and 20.6.2 must be stored in electronic format for a minimum of five (5) years after completion of each game.
- (2) The storage must be such that the information must not be capable of being changed after being recorded.
- (3) Such information must only be accessible to the Board, authorised staff members of the bingo licensee and the auditors of the licensee.

#### **20.6.4 Record Keeping System Malfunctions**

- (1) In the event of a malfunction of the electronic recording device referred to in rules 20.6.1 and 20.6.2, all relevant information with regard to every game of bingo played must be recorded in writing.
- (2) In the event of a malfunction of the computer systems/electronic recording devices referred to in rules 20.6.1 and 20.6.2, such devices must be repaired or replaced within twenty-four (24) hours of such malfunction occurring, or such longer period as may be approved by the Board.
- (3) If the malfunction is not repaired within twenty-four (24) hours, the licensee must immediately submit a separate written report to the Board that sets forth the reason for the delay in repair; and
- (4) Each malfunction together with the corrective measures taken must be reported to the Board within twenty-four (24) hours.

#### **20.7 Administration and Accounting Systems**

Every bingo licensee must develop administrative and accounting procedures, in accordance with the Regulations and the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.

#### **20.8 Annual Financial Statements**

A bingo licensee must submit the format of their annual financial statements to the Board for approval prior to commencement of operations.

#### **20.9 Internal Audit**

- (1) In addition to the Internal Audit function's responsibilities and reporting requirements provided for in the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules, the Internal Audit Department must conduct a full audit of the bingo operations of every bingo hall, bi-annually.
- (2) The results of every audit must be reported to the Audit Committee of the Board of Directors of the licence holder, or, in the absence of an Audit Committee, an independent member of the Board of Directors, or the Compliance Officer of the licence holder, and copies of these reports must be submitted to the Board within sixty (60) days after they have been issued.
- (3) Every bingo licensee must submit an internal audit programme to the Board for approval in its ICS prior to commencement of operations.

**20.10 Receipt, Storage and Access Control of Bingo Cards**

- (1) Bingo cards must be purchased, packaged and supplied to licensees from approved suppliers only and must be stored in a Board-approved secure storage area.
- (2) If the packaging of any set of cards is not intact or the seal has been tampered with in any way whatsoever, the licensee must immediately inform the Board.
- (3) The relevant cards, together with the packaging and seal thereof must be stored until the Board has determined the manner in which such tampering will be dealt with.
- (4) All instances of tampering, loss or damage to packaging of bingo cards must be reported to the Board in writing within twenty-four (24) hours of detection thereof.
- (5) A licensee must develop internal control systems and procedures relating to the receipt, storage and access control of bingo cards, in accordance with the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.

**20.11 Retention and Destruction of Bingo Cards**

- (1) All prize winning cards must be attached to the record of the relevant game and kept for a period of five (5) years.
- (2) Any card which may constitute evidence of an offence or any contravention of the Act, Regulations or Rules, must be retained and submitted to the Board on request, and must not be destroyed until the Board has approved the destruction thereof.
- (3) Any card which forms the subject of a dispute or which may lead to the resolution of a dispute, must be retained and submitted to the Board on request thereof and must only be destroyed with the prior written approval of the Board.
- (4) Any damaged or void card must be kept for a period of five (5) years.
- (5) A licensee must develop internal control systems and procedures relating to the retention and destruction of bingo cards in accordance with the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.

## CHAPTER 21 BINGO CARDS

### 21.1 Bingo Cards

- (1) The game of bingo must be played using cards or other such device which meet the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules, and as may be approved by the Board.
- (2) A licensee must apply to the Board for the approval of its bingo cards in the manner prescribed in the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.
- (3) Every bingo card must be valid for one game only.
- (4) All bingo cards must be manufactured in a material allowing them to be marked by the players, or a device approved by the Board, which marks the number on behalf of the player.
- (5) No two cards in a set must be identical to one another with regard to their unique serial numbers or the numbers to be marked off by players.

### 21.2 Electronic Cards

- (1) Electronic cards used to play bingo must be approved by the Board.
- (2) A licensee must apply to the Board for the approval of its electronic cards in the manner prescribed in the Board's Minimum Internal Control Standards and Procedures, Schedule 1 to these Rules.
- (3) Each electronic card must be clearly visible or available to be viewed by the player.
- (4) No two cards in the same game may be identical in regard to the numbers, pictures or symbols.
- (5) 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.

## CHAPTER 22 BINGO DEVICES

### 22.1 Random Number Selecting Devices

- (1) A bingo licensee must not use any random number-selecting device, or any other device, unless such device has been tested in terms of the applicable SANS standards by accredited testing agents, and approved by the Board.
- (2) Any number-selecting device must be designed, manufactured and used in such a way that the randomness of the numbers selected will be ensured at all times.
- (3) A licensee must ensure that a ball-drawing apparatus used as a random number-selecting device must meet the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.
- (4) Balls used for the game of bingo must be approved by the Board prior to commencement of operations.
- (5) The complete set of balls must be substituted at least on completion of one thousand (1000) games, or on completion of such other number of games as determined by the Board.
- (6) Notwithstanding the provisions of sub-rule (5), if it is discovered that any of the balls are not in perfect condition, in respect of colour, numbering, weight, size or any other aspect, the complete set of balls must be substituted before completion of one thousand (1000) games, or such other number of games as determined by the Board.
- (7) The replaced set of balls must be kept in a box, which must be sealed and kept for a period of at least three (3) months on the licensed premises.
- (8) There must be a reserve random number-selecting device in each bingo hall, which must be used in the event of a malfunction occurring in the random number-selecting device normally utilized.

## **CHAPTER 23 BINGO GAMES**

### **23.1 Approval of Bingo Games / Prizes and Jackpots**

- (1) Every licensee must apply to the Board in the manner prescribed in the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules, for approval of the following:
  - (a) The type and format of bingo to be conducted at the premises for which the licence is sought; and
  - (b) The types of prizes and jackpots and the manner in which they may be won.
- (2) Only that type and format of bingo which has been approved by the Board may be conducted at the specified bingo hall.
- (3) Before affecting any change to the type and format of bingo, conducted in the bingo hall, including the types of prizes and jackpots and the manner in which it may be won, a bingo licensee must apply to the Board in the manner prescribed in the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.
- (4) No such amendment may be implemented until Board approval has been obtained in writing.

### **23.2 Prizes**

- (1) No prize, other than money, or such other prizes as may be approved by the Board may be offered to any player of the game of bingo.
- (2) All monetary prizes must be paid to the winners thereof in cash, unless one of the following occurs:
  - (a) The winner requests or consents to the prize being given by cheque or electronic funds transfer (EFT); or
  - (b) The amount of the prize is more than one thousand rand (R1000), in which case an electronic funds transfer into the winner's bank account, or a cheque, which must not be post-dated, may be issued to the winner.
- (3) In respect of simultaneous games, the central bingo hall must determine the types of prizes.
- (4) All prizes must be paid out from the linked bingo hall where that prize has been won.



### **23.3 Sale of Bingo Cards**

- (1) Bingo cards may only be sold in the bingo hall where the game for which such cards are sold, is to be conducted, or for an authorised simultaneous bingo game.
- (2) All cards for bingo (not simultaneous bingo) must be issued consecutively, according to their serial number within each of the sets. The sale of cards in each game must begin with number one of a particular set, or the number following the number of the last card sold in a previous game, as the case may be.
- (3) If the number of cards in the set being sold is insufficient to satisfy the demand of the players, cards of a second set may be sold for the same game, subject to the following requirements:
  - (a) The second set to be sold from the same batch of cards must have the same selling price per card as the first;
  - (b) The sale of the second set must commence with the next consecutive number of such set;
  - (c) The cards of the second set must be sold up to the serial number immediately preceding the serial number of the first card sold in the first set, to ensure that no two cards identical to one another in the numbers to be marked off by the players, may be sold or used in the same game; and
  - (d) Cards issued but not sold must be voided.
- (4) All bingo cards to be used in simultaneous games must have serial numbers which must be different from any of the serial numbers used in ordinary bingo and must be clearly distinguishable as bingo cards for the purpose of a simultaneous game.
- (5) Before commencement of the sale of cards, the linked bingo hall must obtain permission from the central bingo hall, which permission must only be granted after it has been established by the central bingo hall that no two identical cards will be sold to any two players who will participate in a simultaneous game.
- (6) A licensee must develop internal control systems and procedures in respect of the sale of bingo cards, including simultaneous games, for inclusion in its ICS for approval by the Board.

### **23.4 Conducting the Game of Bingo**

- (1) Rules for the conducting of any game of bingo, including simultaneous games, must be prominently displayed at every bingo hall and a copy of same must be made available on request by any patron.
- (2) Detailed procedures for the conducting of any bingo game, (including the use of electronic bingo cards and simultaneous games), from commencement to

conclusion of the game, must be contained in the licensee's ICS and approved by the Board.

- (3) Every number selected for all bingo games must be announced through, or by means of, a public-address system in a clearly audible manner and must be displayed on the closed circuit television system, as well as the information panel/panels.
- (4) In the event of approved bingo games being downloaded electronically or electronically housed in a system, controls relating to the physical and logical security of the system must be contained in the licensee's ICS.
- (5) Prior to the commencement of any simultaneous game, which period may from time to time be determined by the Board, the licensee must ensure that the central hall orders the linked bingo halls to cease the sale of cards.
- (6) A designated person at each linked hall must record the number of cards sold for that particular game and communicate the information to the central bingo hall.

### **23.5 Simultaneous Games**

- (1) The game of bingo may be played simultaneously at the bingo halls of more than one bingo licensee licensed within this province and country.
- (2) Simultaneous bingo may take place utilising electronic cards or devices and must be conducted in terms of 21.4 and the licensee's ICS approved by the Board.
- (3) A licensee must ensure that where there is a link to a central bingo hall, irrespective of the location, the Board is provided with proof that:
  - (a) The central bingo hall is authorised to link to other bingo halls;
  - (b) The central hall has an approved system for the production and recording of a visual and audio signal, for distribution to the linked bingo halls.
  - (c) The central hall has an approved system which must transmit a visual and audio signal by means of a direct link to each linked bingo hall, in order to ensure that each draw made, or computerized number selected, is displayed to or announced to, the player in each linked bingo hall, simultaneously with the draw being made in the central bingo hall, on a real time online basis; and
  - (d) All information received from the linked bingo halls must be processed at the central bingo hall, whereafter the information must be displayed on the information panels in all linked bingo halls.
- (4) The determination of the central bingo hall must be recorded in terms of Rule 20.6 and announced to the public prior to the commencement of any linked game.

- (5) The central bingo hall must determine the types of prizes available, the type of bingo to be played and the starting times of each game.
- (6) A licensee must ensure that the central bingo hall automatically prepares and stores all game records; and must have sufficient computer capacity (processing, memory, communications inter-faces and hard disk storage) to efficiently monitor and log all significant events taking place in every simultaneous game.
- (7) The hardware and software configuration of the distribution network used within the province for simultaneous bingo must be approved by the Board, and any upgrade or change to the systems, must be approved by the Board prior to such upgrade or change taking place.
- (8) The application for approval of the hardware and software configuration of the distribution network or any amendments thereto, must be made in the manner prescribed in the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.

### **23.6 Suspension of Bingo Game and Refunds**

- (1) If, during the course of a game, and/or before commencement of number selection any malfunction occurs in any of the equipment required in terms of the bingo Rules or any other incident occurs, which prevents the continuation of the game, the game must be provisionally suspended.
- (2) In the event that the problem which has arisen cannot be resolved, the game must be abandoned.
- (3) Each player must be refunded the full amount paid for each card purchased for that particular game, and each card sold for that particular game must be returned to the licensee.
- (4) Any prize which has been claimed and verified, before such malfunction or incident, must be paid out to the winner.
- (5) If any malfunction or incident, referred to in sub-rule (1), occurs, the designated person, as contained in the licensee's ICS, must read the relevant sub-rule to the players before proceeding with any further steps.
- (6) The withdrawal of a player during the course of a game must not entitle such player to a refund of the purchase price, or any part thereof, of the cards bought by such player: provided that a player may transfer his/her cards to any other player if he/she so wishes.
- (7) If an error occurs in the announcement of any of the numbers selected, such error must be corrected immediately, a note must be made in the game record, and the game must continue.

**23.7 Suspension of Simultaneous Bingo Game and Refunds**

- (1) In the event of a malfunction of the central distribution network or the link between linked bingo halls after commencement of the game, the full purchase price of all tickets sold at all the bingo hall or halls within the province where such malfunction occurred, must be paid back to every player.
- (2) Notwithstanding the provisions of sub-rule (1), the game must continue in the linked bingo halls where no malfunction of the link has occurred and the prizes available to the players must remain the same as those announced at the beginning of the game.

## CHAPTER 24 SURVEILLANCE SYSTEMS

### 24.1 Surveillance Systems

- (1) Every bingo licensee must install, maintain and operate a surveillance system on the premises to which the licence relates, which must conform to the Board's minimum standards as contained in Schedule 1 to these Rules.
- (2) Such surveillance system is 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.
- (3) No licensee must alter or modify the approved surveillance system contemplated in this Rule, without applying for the prior approval of the Board. Such application must be accompanied by a proposed amended floor plan and detailed schedule relating to such floor plan.
- (4) A licensee must apply for approval of its surveillance system plan and any change, alteration or modification to a surveillance system plan, including a temporary change, alteration or modification in the manner prescribed in the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.
- (5) The surveillance system plan must include the requirements as set out in the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.
- (6) The surveillance system will be signed off by the Board on completion of the installation thereof.
- (7) A licensee must notify the Board of any installation of cameras through the surveillance system for the purposes of covert operations, forty-eight (48) hours prior to such installation.
- (8) A person must monitor camera views of bingo gambling activities at all times during such bingo licensee's operating hours as approved by the Board.
- (9) Surveillance system image recordings must be kept for seven (7) days.
- (10) The Board and its authorised staff members must, at all times, be provided with immediate access to the room or area where the surveillance system is kept.
- (11) The licensee must develop internal control systems and procedures in respect of the Surveillance System, in accordance with the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules.

**24.2 Surveillance System Malfunctions**

- (1) In the event of a malfunction to the approved surveillance system, gambling operations must be suspended in that affected area, pending the repair of the malfunction, unless otherwise approved by the Board;
- (2) Malfunctions must be repaired within twenty-four (24) hours of the malfunction.
- (3) If the malfunction is not repaired within twenty-four (24) hours, the licensee must immediately submit a separate written report to the Board that sets forth the reason for the delay in repair.
- (4) Each malfunction together with the corrective measures taken must be reported to the Board within twenty-four (24) hours.
- (5) A licensee must develop and comply with the Board's Minimum Internal Control Standards and Procedures, as contained in Schedule 1 to these Rules, in respect of surveillance system malfunctions.

**24.3 Storage and Record Keeping**

A licensee must develop procedures for storing and record keeping of image recordings for inclusion in its ICS for approval by the Board.



**SCHEDULE 1**

**TO THE KWAZULU-NATAL GAMING AND**

**BETTING BOARD GAMING RULES 2013**



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