



TOPIC

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10th GRAF ANNUAL CONFERENCE

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**Protea Hotel The Ranch Resort - Polokwane
South Africa**

- Brief legislative history 2004 – date
- Remote Gambling Bill ground-breaking and solid tabled on 23 April 2014 in Government Gazette – 30 day period for comments
 - Standalone bill
 - Well structured
 - Of an international standard
 - Beneficial to provinces as well as national
 - Does away with archaic and unworkable previous regulations
- Structure
 - 43 pages long
 - 68 sections
 - 12 Chapters

- Key features of the Bill – “remote gambling” more encompassing of various technologies and technology neutral
- The concepts of “equal chance gambling” games and “person to person gambling” contemplating player-to player activity, with or without the house acting as banker is introduced. A move from the ban on peer-to-peer activity and accordingly, poker. In fact, poker is specifically allowed and a general reference is made to person-to-person sports betting.

CHAPTERS

1. Interpretation and Application
2. Prohibited Remote Gambling and Status of Remote Gambling Debt
3. Prizes and Remittance

4. Responsibilities and functions of the Provincial Licensing Authorities and the National Board

PLA Responsibilities

- Accept and review all applications from within the province
- Make a recommendation to NGB on issue
- Determine any special conditions
- Conduct probity
- Make decisions regarding premises and re/location thereof
- Applications must be prepared and passed on to National Board
- Enforcement of the Act: fines/penalties/hearings, etc
- Monitor all operators and remote gambling activities within the Province

Chapter 4 continued

National Board Responsibilities

- Maintain oversight of PLA performance to ensure norms and standards are properly applied and maintained
- Assist PLA's in detection and enforcement of unlicensed activities
- Receive applications put forward by PLA's
- **Consider and determine whether application should be granted**
- Determine whether any further restrictions should be applied to the licence – over and above any recommended by PLA's
- Monitor remote gambling activities throughout the Republic
- Investigate any alleged contraventions

5. Categories of Licences and Jurisdiction

3 categories of licences are introduced by the RGB:

- remote gambling operator licence
- remote gambling manufacturer, supplier or maintenance provider licence
- remote gambling employment licence

- Bookmakers that predominantly conduct their activities online will be required to convert their existing bookmaking licences to remote gambling licences.

- introduces a model whereby ALL applications will be made at provincial level by applicants within the respective provinces with the prescription that the National Board has ultimate power to issue the licences, following the investigation and recommendations of the respective provincial authority. The RGB is even specific about all taxes being split 70% to the province and 30% to national.

6. Applications, Refusals, Disqualifications, Renewals, Cancellations, Transfer and Surrender of Licences

7. Conditions relating to Key Persons Employed in Remote Gambling Industry

8. Restrictions and Restricted Activities

- Protection of minors has been couched in broad and general terms whereby 'reasonable measures' must be taken to avoid allowing access to minors.
- Granting credit to gamblers is prohibited.
- Gambling must not be advertised free of charge or at a discounted rate. All advertisements must contain a 'health warning'.
- The Minister is empowered to introduce regulations regarding the control, and restriction, of advertising.

9. Standards for Websites and Remote Gambling Equipment

10. Player Protection

- Players are required to register online but also must have an account at an authorised financial institution. Players will also be required to set limits on deposits and/or wagering, although unlike the NGAA, the RGB does not stipulate amounts in respect of these limits (allowing personal choice by players in accordance with their respective means).
- The National Board is directed to create standards in respect of registration processes

11. Enforcement and Offences

- Offences in terms of the Act range from R2m fines and/or up to 10 years imprisonment

12. General Provisions

- On the issue of tax, the RGB requires that each provincial legislature establish a tax rate – which on the face of it means that taxes may vary from province to province – suggest amendment

ISSUES FOR REFINEMENT

- Transitional arrangements : parties that may fall under RGB but currently don't have licences?
- RGB has not been subjected to public scrutiny and further issues may be raised
- Broad wording regarding the possession of software might jeopardise tourists, etc travelling through the country with client software loaded on laptops – some refinement will prevent the creation of 'accidental criminals'
- All remote gambling equipment and software must comply with the SANS 1718 'series standard' – implying that the standard hasn't been published yet.
- Also, the National Gambling Board must within 6 months after the Act has come into effect publish 'norms and standards' for security, access and maintenance of the website.
- The Minister may make further regulations re technical standards, etc.

ESTIMATED TIMELINES

- Comments close 24 April 2014
- Parliamentary Portfolio Committee: Trade & Industry
- Back to Parliament 4 – 6 months?
- Regulations?
- Norms and Standards by NGB (within 6 months – concurrent to applications?)
- Technical standards – SABS and testing
- First licensee 12 – 18 months?

THANK YOU

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Questions?